The Financial Times, February 7, 1976

FINANCIAL TIMES

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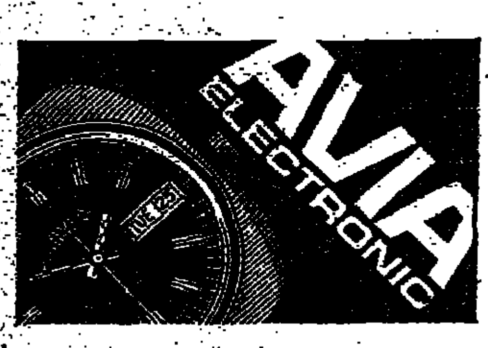


NEWS SUMMARY

GENERAL

New quake hits city

Another strong earthquake struck Guatemala City yesterday. It was almost as powerful as Wednesday's 'quake, which is now thought to have killed as many as 6,000.

Electricity supplies and all telecommunications were again cut off and there was no immediate information on the number of casualties and the extent of the damage.

The Mexican seismological institute said the new earthquake registered 6.5 on the open-ended Richter scale, against 7.5 for Wednesday's.

Blast strands Tube trains

Thousands of commuters were trapped underground yesterday after an explosion in an electricity transformer at Finsbury Park station in North London halted trains on the Piccadilly line.

The blast, caused by an electrical cable fusing, started a major fire, cut off power to a large area and filled the tunnels with clouds of smoke. Many people were trapped for up to two hours and last night eight people were kept in hospital, two in intensive care.

Belfast express blown off rails

The Belfast to Dublin express was derailed when up to 5 lbs of explosives blew up under the second and third carriages last night in County Down. Several attacks have been made in the area in the past. No-one was seriously injured.

A Belfast policeman was shot dead and another seriously injured yesterday in the Cliftonville area by two youths who escaped in a car.

No diplomatic break—Iceland

Iceland decided not to break off diplomatic relations with Britain yesterday as the cod war resumed.

The freshly arrived frigate Juno was in collision with the Icelandic gunboat Tyr, which went on to cut three British trawlers' wires. In the air there was a near miss between a British Nimrod and an Icelandic plane.

War wage

Foreign Office lawyers are examining the legality of the recruitment of British mercenaries by foreign countries. Meanwhile, mercenaries waiting to fly to Angola were told last night their departure had been delayed a week due to difficulties in obtaining a flight.

Briefly . . .

Sir Oliver Goonetilleke, former Governor-General of Sri Lanka now resident in London, has been sentenced in his absence in Colombo to four years hard labour for foreign exchange violations. Page 12

Mr. Joe Haines, with five Downing Street Press officer colleagues, has issued High Court writs alleging libel against Times Newspapers Limited over two articles late in 1975.

The independently financed University College of Buckingham was officially opened. Mrs. Margaret Thatcher said it represented a "genuinely fresh approach" in education. Page 18

Herr Willy Brandt, former Chancellor of West Germany, intends to stand as a candidate in the first direct elections to the European Parliament planned for May/June 1978. He hopes his decision will serve as an example. Page 13

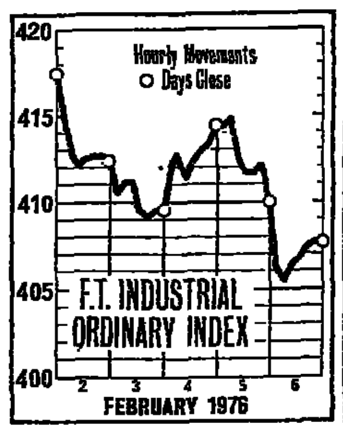
British Airways says more than 2,000 bookings have been made for transatlantic crossings by Concorde in the past two days in the U.K. and the U.S. Page 12

Pop star Alvin Stardust's wife blamed "terrible show business work pressures" for the breakdown of their 12-year marriage.

BUSINESS

Equities drop 9.7 on week

● EQUITIES were marked down on news of the Lloyd Bank rights issue, but later rallied for an overall loss on the



FT 30-share index of 2.3 to 407.7, making a loss of 9.7 on the week, but a 7.9 gain on the account.

● GILTS showed falls of up to ¼ in longs and shorts after the new long tap announcement, and the Government Securities index closed 0.32 down at 63.84.

● STERLING lost 10 points against the dollar to $2.0270, its average depreciation widening to 30.2 per cent. (30.1). The dollar's was unchanged at 2.66 per cent.

● GOLD gained $2 to $130¾.

● WALL STREET closed 9.91 down at 954.5.

● CONSOLIDATED FUND outlays in January seem to show that public spending growth is accelerating; special factors are blamed. Back Page.

● FIRST NATIONAL Finance Corporation incurred a further loss of £9.8m. in July-October last year, making a loss of £83.2m. for the first ten months of 1975. Back Page and Lex

● U.S. COMPTROLLER of Currency has said he has 28 nationally chartered banks on his list of problem banks, of which seven were in critical shape. Page 15

Swan Maritime cancels nine tanker options

● SWAN MARITIME which is 75 per cent. owned by Maritime Fruit Carriers has cancelled nine of the 13 tanker options it holds with Swan Hunter Shipbuilders. Back Page

● BRITISH LEYLAND is bringing a civil action in the Italian courts to regain access to cars and spares in its Innocenti factory in Milan, at present occupied by dismissed workers. Page 15

● AEROSPACE workers at BAC, Short Brothers and Rolls-Royce factories staged an hour's stoppage in protest at the unemployment situation in the aircraft industry. Page 12

● U.S. UNEMPLOYMENT fell by 0.5 per cent. last month to 7.8 per cent., the sharpest monthly fall recorded for 16 years. Back Page

COMPANIES

● BROKEN HILL PROPRIETARY net profits for the half-year to November 30 fell 48 per cent. to $A31m. ($A59.8m.).

● JOHN LEWIS PARTNERSHIP and Waitrose supermarket group sales rose by £55m. to a record £307m. for the year to January 31. Page 12

● RHONE-POULENC, the French chemical company, has released its worst yet set of figures, a loss of Frs.800m. (£88m.) for 1975, against a profit of Frs.1bn. for 1974. Page 13.

City believes fall may have finished for time being

Minimum Lending and overdraft rates cut again

BY MICHAEL BLANDEN

THE RAPID drop in interest rates was taken further yesterday as the Bank of England's minimum lending rate fell for the fourth successive week, from 10 to 9¾ per cent.

The fall takes MLR to its lowest level since mid-1973, and was accompanied for the second week running by a parallel cut in the overdraft rates of the big banks.

The banks, led by Barclays in the morning, announced a reduction of ½ per cent. in their base lending rates to 9½ per cent. This will mean personal customers will now have the cost of their overdrafts cut to perhaps 11½ to 13½ per cent.

However, with the pound slipping in exchange markets to equal its closing low point of a 30.2 per cent. average depreciation, the Bank of England showed its first signs of discouraging a further drop in interest rates.

The changes were followed yesterday by official moves in the money markets which were interpreted as a pointer that the Bank would be unhappy to see yet another MLR cut next week.

Partly as a result of this, it is felt in the City that the reduction in short-term rates, which has brought MLR down 2¼ points in eight steps since mid-November, may now have reached its end, at any rate for the time being.

This feeling, coupled with the announcement of another £600m. issue of Government stock at the long end of the market, helped to depress prices in the gilt-edged market after the sharp rises experienced in recent weeks.

With falls of up to ¼ at both ends of the market, the Financial Times Government Securities Index ended 0.32 lower at 63.84—a fall of 1.37 on the week.

The Ordinary share market also lost ground, with the FT 30-Share Index down 2.3 at 407.7, a drop of 9.7 points on the week.

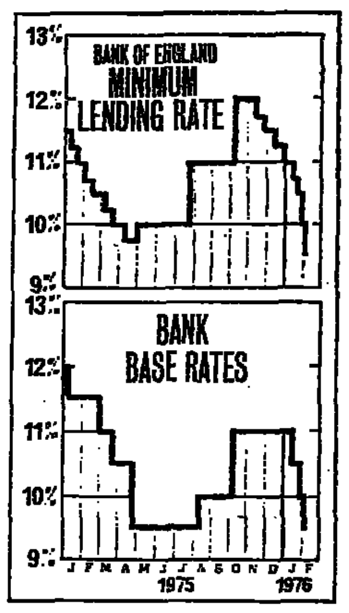
In making their decision to cut loan rates, the banks have been influenced by the Bank's apparent willingness until yesterday to see a continuing fall in rates against the background of cuts in the U.S.

Earlier worries about the impact on their liquidity of the tax-gathering season have been dissipated, and the Bank has helped avoid any liquidity shortages both through its temporary release of £325m. of special deposits and through its operations in the market.

As a result, the banks now seem unconcerned over the need to restore the level of special deposits next Tuesday and are able to cut rates to help industrial borrowers.

Mr. Derek Weyer, senior general manager of Barclays, said: "We have been able to pitch our base rate below 10 per cent. only once before in the past two-and-a-half years. We hope this movement will encourage industrial companies to take up more of their agreed borrowing limits."

The Bank's signal to the market appeared to be showing concern not over the ¼ per cent. cut in MLR itself, which seemed acceptable, but over the sharp



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Cheaper home loans likely

By Michael Cassell, Building Correspondent

A STRONG likelihood now exists that a decision to reduce the mortgage rate will be taken in April. The present 11 per cent. rate has stood since September, 1973.

The continuing downward trend in general interest rates has been bringing increasing pressure on the building societies and many executives are now conceding that some action might soon be necessary.

Societies are now offering almost twice the rate which small investors can expect to receive from a bank deposit account, though their advantage over some other competitors is not as marked.

After yesterday's rate changes, banks will be offering 5¼ per cent. gross on deposit accounts, while a building society ordinary share account will offer a return equivalent to 10.77 per cent. gross for the standard rate tax payer.

Over the past year, societies have built an immensely strong position for themselves.

Their steadily improving edge over competitive investment institutions has provided them with a record inflow of money, now being reflected in the biggest-ever lending programme undertaken. Liquidity levels have also reached unprecedented heights.

But societies point out that any Budget changes in tax rates could significantly affect their own composite rate tax liability and, in turn, their operating margins.

Any changes in interest rates before the position was known would, therefore, be premature.

The effects of the Budget apart, the movement seems generally convinced that competition for funds will become increasingly difficult as the year goes on, with receipts suffering accordingly.

In order to achieve the type of stable lending programme which everyone agrees is desirable, many societies feel that the present opportunity to build up funds should be used to the full, and that they should not risk stemming the flow of money with interest rate cuts.

Mr. Norman Griggs, secretary general of the Building Societies Association, said last night: "We want to wait until the Budget to see if our operating conditions change.

"It is true we are now offering an extremely good rate for savers and, as a result, money is coming in well. But it is also going out fast on mortgages, and there is no suggestion that the current mortgages rate is stifling demand."

TUC plan for £20,000 pay limit

BY JOHN ELLIOTT, LABOUR EDITOR

TUC LEADERS are drawing up detailed plans to peg top salary levels at around the £20,000 a year earned by the Prime Minister as part of a general economic strategy to end "the inequality in Britain."

This forms the latest stage of the TUC's campaign of attack on the salary levels of top executives and some highly paid public servants. It is significant because union leaders may well want a Government commitment to the idea as part of the next stage of its pay policy.

The idea is spelt out in the first draft of the TUC's annual economic policy review, which is now circulating privately among senior union leaders in advance of a meeting of the TUC economic committee next Wednesday.

The draft also formally proposes an unemployment level of 600,000 as a target which the Government should adopt immediately for 1978 and suggests that the real level of unemployed at present could be as high as 1.7m.

This amounts to a considerable stepping up of union pressure on the Government over unemployment and is accompanied by the TUC stating that it recognises the need for an inflation rate "well below 10 per cent." to be achieved "within the next year."

On top salaries, the TUC points out that last week's Diamond Commission report suggested that a broad consensus on pay relativities might be desirable. The TUC then goes on to call on the Government to issue a "strong statement" backing a "generally agreed bracket" for top salaries.

Flexibility

The TUC suggests that the top figure could be related to the levels of a middle-range wage earner and says: "The choosing of a target ratio of the median wage will require careful judgement and flexibility, but a suitable starting point might be the current ratio of the Prime Minister's salary to the median. This would fix an approximate ratio of 7:1."

It draws this conclusion by citing the "middle wage" of 80 per cent. of the working population, which it says is £53.20 a week—roughly one-seventh of Mr. Harold Wilson's salary, which is itself well below some public sector salaries.

"Such a guideline could then be used for fixing top salaries by the Government in the civil service, armed forces, judiciary and nationalised industries," says the TUC.

"Companies should also be encouraged to use such a guideline of social acceptability for the remuneration of chief executives and directors.

"Many companies might well be pleased to take the opportunity to opt out of the self-defeating competitive spiral in bidding up top salary levels and devote proper attention to the more productive task of training and developing a wider pool of managerial talent," suggests the TUC.

Citing the success of the £6 pay limit as an example of the effectiveness of voluntary pay limits based on consensus, the TUC adds that it is "confident that a strong statement by the Government on the target ratio for top incomes to be achieved over the next few years would receive wide support."

Wealth tax

On other aspects of wealth, the TUC calls for wealth tax legislation in an autumn Finance Bill, substantial increases in pensions eventually to raise them to one-third of average wages, and tax relief on items such as mortgages to be limited to the standard rate of tax.

Dealing with economic and industrial strategy, the TUC rehearses the list of urgent measures it wants the Government to take to alleviate unemployment, including £100m. boost for housebuilding and Government-directed finance for industrial investment.

It also wants the Government to commit itself to a target of 100 planning agreements being struck with companies by 1978.

The TUC says the harmful effects of unemployment will snowball during the coming months. "As the recession continues and the duration of unemployment increases, the deprivation of the unemployed and their families will increase."

In order to reach a 600,000 unemployment level by 1978, the Government's represent policies would need to be changed. The TUC shies away, though, from calling yet for any general reflation.

It says that a "plausible path" to the 600,000 level would be a 7.9 per cent. growth in the gross domestic product in 1977 and 6.5 per cent. growth in 1978. This would make an average of 3.3 per cent. over the years 1974-78.

Lockheed president admits '$1m. for Dutch official'

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Feb. 6.

MR. CARL KOTCHIAN, president of Lockheed, admitted to-day that the company had paid at least $1.1m. to a senior Dutch Government official in order to help promote sales of its aircraft.

A payment of $1m. was made in either 1961 or 1962, according to Mr. Kotchian, who was testifying before the Senate Sub-commitee on Multinational Corporations.

Originally, he said, Lockheed had been asked by one of its European agents to present a Jetstar executive jet to the official, but it was subsequently decided to give money instead. A further $100,000 was handed over at a later date.

Last December, a former Lockheed employee, Mr. Ernest F. Hauser, alleged that Prince Bernhard of the Netherlands, then Inspector-General of the Dutch Armed Forces, was the recipient.

This was denied by both Lockheed and Prince Bernhard. Mr. Hauser also charged that the Christian Social Union Party in West Germany, headed by Mr. Franz Josef Strauss, who was also at the time German Defence Minister, received money. That also was denied.

Mr. Kotchian said to-day he knew nothing about any German payments. He also stated that Lockheed had turned over no money to any British officials in connection with the use of Rolls-Royce engines in the Lockheed TriStar wide-bodied passenger-aircraft.

Earlier this week, the Senate Sub-Committee produced Lockheed documents showing that $7m. had been paid to Mr. Yoshio Kodama, who heads an extreme Right-wing faction in Japan.

The documents also disclosed that Italian and Turkish officials had benefited financially from Lockheed, which is the largest U.S. defence contractor.

The testimony has already had widespread political repercussions. In Japan, a major political row is brewing which could affect the outcome of this year's elections.

In Turkey, it was announced yesterday that an official Government inquiry is being set up to look into allegations of bribery over defence contracts.

Until to-day, Lockheed's position had been that it had paid as much as $22m. in assorted payments to foreign officials over the years. It had, however, refused to acknowledge involvement in Europe.

Cross-examined under oath today, Mr. Kotchian said that the money paid to the Dutch official was intended to help sell F104s (Starfighters) and anti-submarine aircraft to the Dutch Governmen

In all, Holland purchased 138 Starfighters for its Air Force. The aircraft was manufactured in Europe under licence.

Asked if he considered the payments to the Dutch official to by a bribe, he replied he thought a bribe required something in return, but added: "I would

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Row in Japan, Page 13

Lloyds Bank £76m. rights issue

BY MICHAEL BLANDEN

LLOYDS BANK is asking its shareholders to put up £76m. in new capital through one of the biggest rights issues ever carried out in London.

The news brought heavy trading and marked falls in bank share prices yesterday, with Lloyds closing 5p down at 260p a share after touching 255p.

Concern that other banks might follow the Lloyds example was reflected in falls of 5p in Barclays shares, 7p in Midland and 3p in National Westminster.

Both Barclays and National Westminster said yesterday they had no plans to make a rights issue. Lloyds' issue is the second from big banks in the past two years, following Midland Bank's £52m. operation last year.

Provisions

A Lloyds issue had been widely predicted, though its timing took the City by surprise. The bank was previously not expected to announce its 1975 results until later this month.

The bank explained that since it last asked shareholders to subscribe additional capital in 1962, it had developed into a major internatonal banking group. Its shareholders' funds were "no longer in an appropriate relationship with the increasing scale of the group's activities."

Concern that other banks migh Lloyds' results for last year show that operating profits dropped 19 per cent. from £118m. to £96m.

The bank said that deposits showed a good growth in the U.K. and there was a substantial contribution from international business. U.K. results were adversely affected, though by the slack demand for advances, lower interest rates and a considerable increase in operating costs, in spite of wider margins between deposit and lending rates.

The bank has taken account of all provisions for doubtful debts before arriving at the 1975 operating profits. The results, it is stated, take into account the Lloyds involvement in the life-boat support operation, including its participation in the special arrangements for First National Finance Corporation.

This contrasts with the previous year, when Lloyds put aside £13m. of additional provisions for doubtful debts from its declared operating profits, as well as £28.5m. on the Lugano foreign exchange losses and a £10m. special contribution to pension funds.

With no special items deducted in 1975, the bank's profits at the pre-tax level show a gain of 27 per cent. from £74.9m. to £95.5m. This is after taking off a £521,000 share of losses in associated companies, reflecting the stakes in Grindlays and Finance for Industry.

The rights issue, raising some £74m. after expenses, will increase the bank's shareholders' funds to about £642m. It is calculated that after the issue the rates between the group's deposits and shareholders' funds would be between 11 and 12 to one, while its "free capital"—shareholders' funds after deducting fixed assets—would be more than 3 per cent. of deposits.

The issue is of 36,277,632 shares at 210p each on a one-for-four basis to shareholders and holders of the bank's 7¼ per cent. convertible loan stock. The issue has been underwritten by Hoare and Co. Govett.

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CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Dowty	168	+ 8
Frost and Reed	146	+ 10
Hawker Siddeley	414	+ 4
Horizon Midlands	36	+ 4½
Lampa Secs.	122	+ 6
Lebus (Harris)	53	+ 3
Pearson Longman	115	+ 5
Thomson Org.	248	+ 5
Wagon Finance	62	+ 5
BP	588	+ 5
Blyvoor	630	+ 20
Coronation Syndicate	118	+ 6
Harmony	460	+ 10
Kloof	630	+ 15
Robe River	100	+ 15
FALLS		
Treasury 12¼pc 1993	£93½	− ¾
Treasury 11½pc '81	£102¼	− ½
Assd. Dairies	213	− 5
Beecham	349	− 4
Bestobell	160	− 4
Booker McConnell	155	− 4
Crest Nicholson	38	− 5½
Hammerson "A"	380	− 8
Hongkong & Shanghai	348	− 15
IC Gas	340	− 8
Jardine Matheson	434	− 16
Jardine Secs.	145	− 8
Kwik-Save	126	− 6
Lloyds Bank	260	− 5
Michael (J.)	6	− 3
Midland Bank	298	− 7
Mining Supplies	71	− 4
Regional Props.	46	− 4
Smith (W. H.) "A"	348	− 6
Smiths Inds.	147	− 4
Vickers	161	− 4
Shell Transport	384	− 4
EZ Inds.	360	− 10
Palabora	850	− 30
Pancontinental	£16	− ¼

FEATURES

ON OTHER PAGES

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£ in New York

—	Feb. 6	Previous
Spot	$2.0270-0280	$2.0280-0290
1 month	0.67-0.62 dis	0.73-0.68 dis
3 months	1.96-1.91 dis	2.30-2.15 dis
12 months	7.40-7.30 dis	7.65-7.55 dis

The week in London and New York

The market loses momentum

Equities and gilt-edged stocks have both lost momentum this week after their sharp gains at the end of January, but still ended up over the account as a whole. Gilts fluctuated narrowly against the background of uncertainties about interest rates and whether a new tap would be produced. The full half point cut in Minimum Lending Rate yesterday—for a drop of two and a-half points in under three months — steadied the market before the new £600m. 1993 tap stock was announced, and this led to a fall in prices "after hours." There may not be much further to go in this round of declines in U.K. interest rates, especially as the drop in U.S. rates has come to an end for the moment.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM JANUARY 8.

	% Change
Shipping	+12.5
Hire Purchase	+11.3
Motors & Distributors	+ 9.4
Newspapers, Publishing	+ 8.7
Insurance (Composite)	+ 8.4
Chemicals	+ 8.2
All-Share Index	+ 4.1

THE WORST PERFORMERS

Toys & Games	+ 0.8
Wines & Spirits	+ 0.6
Contracting & Constructn.	— 4.3
Oils	— 1.3
Food Retailing	— 1.2
Discount Houses	— 0.2

Business in gilts has been much quieter than recently—certainly by comparison with the hectic conditions in January when turnover soared to £13.7bn. compared with a previous peak of £8.4bn. a year ago. The equity market has also been less active, though this has been the first week when the 30-share index has remained above 400 all five days. The index has fluctuated fairly sharply, ending with a rather confused day. The surprise announcement of the £74m. Lloyds Bank rights issue took some of the steam out of equities initially with a 4.7 point fall, by mid-morning which was later clipped back to a 2.3 point drop to 407.7 when news of the half point cuts in MLR and bank base rates came out.

Furness rally explained

An explanation for the recent sharp rally in Furness Withy shares came this week with the news that Eurocanadian has been back in the market, lifting its holding to just over 21 per cent. with the purchase of 200,000 shares. This looked intriguing, since Eurocanadian had earlier failed to take up an option with Hambros which would have taken its stake up to nearly 29 per cent. But then Furness had fallen sharply following bid denials and the reference of the affair to the Monopolies Commission—it was nearly a third off the peak at one stage. The shares may still be rather below Eurocanadian's average purchase price for the overall investment, and they do not look particularly expensive on trading grounds.

The latest move suggests that Eurocanadian's fire power has not been badly damaged by the six month delay imposed by the Commission's inquiry, which is scheduled to be completed by the end of May. It has undertaken not to take up its holding beyond 25 per cent. in the meantime, and thereafter Hambros may not be too willing to give it a second chance to acquire the bank's interest. So Furness may be feeling a little more comfortable for the moment, and is under no particular pressure to make any moves to embarrass Eurocanadian—like a rights issue, for instance.

Improving trends in tobacco

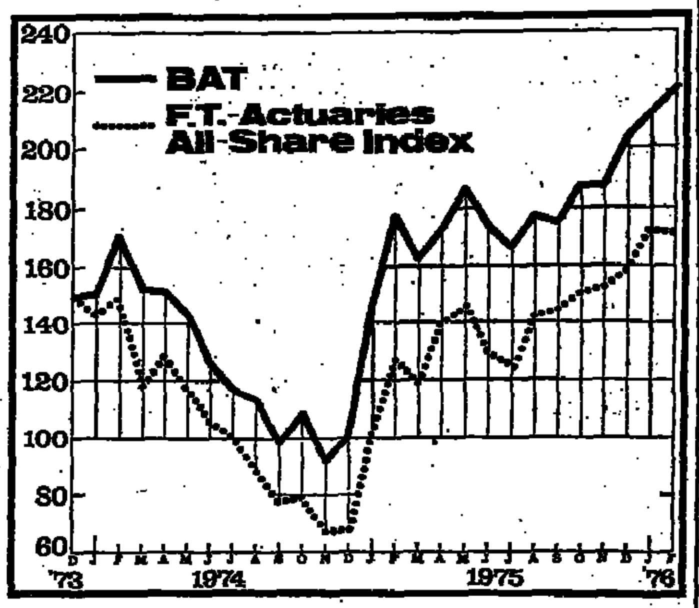
Tobacco industry margins have been under considerable pressure in the past few years but are now beginning to improve. So the hope is that this week's results from BAT will be the last in a series of dull performances. Pre-tax profits for 1974-75 were over a tenth higher at £276.5m. and attributable profits increased by £19.7m. to £137m.; £10.6m. of this gain came from currency gains, and an £8m. fall in the previous year's pension provision pre-tax coupled with a lower tax charge, accounts for most of the remaining improvement. This year, a 10 per cent. price rise in the U.S. and a full year's benefit from last May's 15 per cent. price increase in West Germany (already apparent in the second half) could coincide with a firmer volume picture, while Brazil remains strong.

Apart from tobacco, there was a turnround in the group's non-food retailing interests in the U.S. which helped push retailing profits up by 22 per cent. to £30.9m., although International Stores in the U.K. was again under pressure. U.K. paper interests also suffered, with profits nearly two-fifths lower at £20.7m. But BAT's pre-tax profits could rise to well over £300m. this year. The shares, at 377p, 17p up on the week, are selling on less than 7 times historic earnings and yielding 4¼ per cent.

Next week, results are due from Imperial Tobacco, where a series of quarterly price rises in the U.K., a sharp turnround from losses in poultry and a strong second half showing from Courage could take pre-tax profits up from a depressed £73.5m. to around £95m. In contrast with BAT, the shares, at 84½p, are on a premium p/e rating for the sector of 12 and yielding 8 per cent.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1975/6 High	1975/6 Low	
F.T. Ind. Ord. Index	407.7	— 9.7	417.4	146.0	Light selling/lack of buyers
F.T. Gold Mines Index	223.7	+ 8.4	442.3	197.1	Recovery in bullion price
Treasury 13% 1990	£100	— 2	£102	£96	Anticipation of new "tap" stock
Decca "A"	256	—10	280	98	Lower profits warning
Felixstowe Dock	143	+ 9	150	47	European Ferries counter bid
F.C. Finance	48	+11	70	25	Recovery potential
Hill and Smith	86	+10	90	23	Results
Lampa Secs.	122	— 8	133	46	Chairman's resignation
Lloyds Bank	260	—20	280	94	Before and after "Rights" issue
Meyer (Montague L.)	80	+ 8	80	18½	Profits forecast/"Rights" issue
Pancontinental	£16	— 1½	£19½	220	Profit-taking; environmental fears
Peko-Wallsend	530	+80	535	235	Uranium export hopes
Pratt (F.)	72	+ 7	76	18½	Results
Regional Properties "A"	43	— 6½	65	25	Half-year loss/nil interim div.
Swan Hunter	47	—11	113	47	Maritime fruit liquidity problems
Thomson Organisation	248	+23	248	36	North Sea financing arrangements
Triplex Foundries	67	+ 8	69	19	"Rights," div. and profits forecast
Vibroplant	122	+14	122	40	Good interim results
Wagon Finance	62	+19	62	10	Excellent results
Wankie Colliery	45	+ 9	48	26½	Latest Rhodesian settlmnt. moves



Euroferries' approach to Felixstowe

The Felixstowe Dock share price reacted strongly to the European Ferries bid approach on Thursday, rising 12p on the day to 144p, and they remained near this level yesterday. Details of the bid have not yet been published but it is likely to be in the form of cash and shares, pitched slightly above the 150p already agreed offer from the State-owned British Transport Docks Board. This valued the company at £5.24m.

Euroferries has been one of the most public champions of private enterprise and has a history of competing with the Government. Moreover, it is one of the most frequent users of the Felixstowe port and following the recent £5.9m. rights issue it is better placed to meet the cost of such an acquisition; if successful the takeover of Felixstowe would probably cost Euroferries just under £6m.

However, the group's chances of succeeding look slim at present. The BTDB bid was accepted despite considerable opposition at an extraordinary meeting of the Felixstowe shareholders, and a private Bill enabling BTDB to make the acquisition is currently going through Parliament. Opposers of the Bill succeeded in delaying its passage so far. Euroferries is hoping that if it can gain the support of the directors and shareholders of Felixstowe, BTDB will allow its bid to lapse before the Bill becomes law.

Whether Euroferries will gain the necessary support is uncertain but it is unlikely to do so without any opposition. Although the group is an important user of the port there are also many others, so there may be concern about one shipping company gaining control of it. Euroferries share price finished the week about 6½p lower at 73½p.

Rich seams for suppliers

The shares of both Dowty and Mining Supplies have been notably strong performers against the market over the last month—a re-rating underlined this week by better than expected figures from both. Dowty's half-year profits were nearly £2m. higher at £6.15m., while Mining Supplies, whose shares have risen by two-thirds since the beginning of the year, reported a near doubling in its half-year pre-tax total at £685,000. The changes in policy—and hence in ordering patterns—of the National Coal Board over the last three years have been of obvious importance, both to these companies and Dobson Park. This point applies particularly to Mining Supplies which derives three-fifths of its business from the Board.

For the other two companies, orders from the Board have provided a steady profits prop to overseas expansion plans. Overseas earnings have been increasing for both Dowty and Dobson Park though mining orders from abroad have not been an unqualified success so far. For example, Dowty's £12m. fixed price contract from China for mining equipment depressed margins in 1974-75. But now this order has been completed, returns are improving and Dowty reports particularly strong demand from the U.S. Indeed, the strength of mining profits is offsetting patchy demand in certain other areas for both companies.

Onlooker

New York

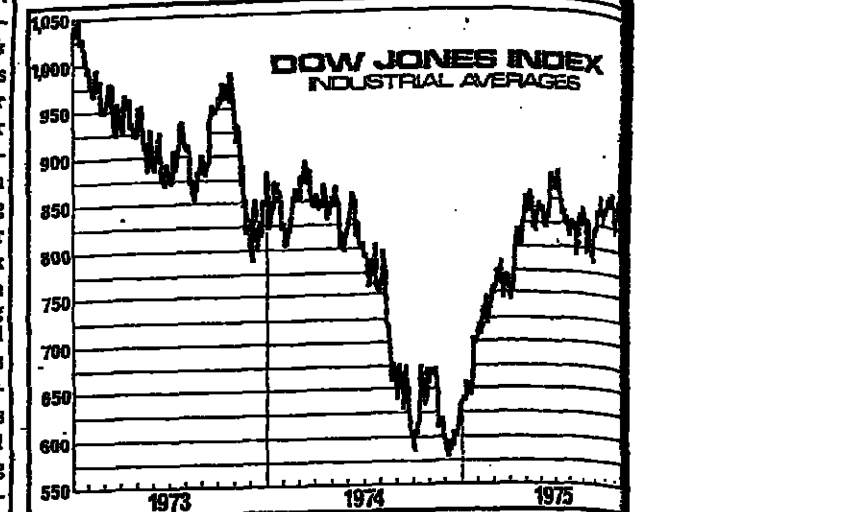
Bear correctio

BY JAY PALMER

NEW YORK, Fe

JUST AS Wall Street traditionally manages to start very nearly every new year with a strong upswing, but with the month of February more often that not marking a distinct change in sentiment away from euphoria to scepticism and caution. This, at any rate, has been the pattern set in something like 13 of the past 15 years and, on the evidence to date, it looks as if 1976 will be no different.

Looking back over Wall Street's really impressive gains this year, there can be little doubt that this bull market is entitled to a correction. With institutional cash still waiting on the sidelines for the "right" moment, there seems every chance that this downturn will be limited to the widely forecast maximum of 50 points that would take the Dow Jones Index to the 910-20 range.



Although the DJII managed to hit a new 27-month high with its Wednesday close of 976.62, this week's few plus days have been modest indeed compared to the real Bull fever seen in mid-January. Thursday's daily drop of 11¾ points was, in fact, the sharpest daily decline seen this year. With the market off another 9.91 to-day, this bearish record might soon be broken.

With the exception of Monday—when the blinding New York snowstorm kept many traders at home and depressed the Exchange's volume—this week has been busy enough. Over the past week the New York Stock Exchange trading volume averaged over 30m. sh day. Indeed so hea activity, that the NYS ordered brokers to ma exchange posts to-morrow ing to help answer queries.

If any one single fact said to have started the thinking about its mad surge, it was the news day that the Federal R Board had revised money-growth targets previous 5-7½ per cent to 4½-7½ per cent. Whi argued that this was news (on the grounds economic recovery was well enough along with ing extra stimulation), generated concern downward trend in rates might be ending.

Anticipating a revers their four-month slide, it forecast that most key rates will begin to move

At the same time market's growing caution accentuated by the fact latest retail sales figures not that impressive, were still sluggish and starts were not showing anticipated upturn.

But while the market clearly headed for a corr there seems no need to this might turn into any fledged slump.

	Close
Monday	971.35
Tuesday	972.61
Wednesday	976.62
Thursday	964.81
Friday	954.90

Mining

Desirable properties

BY KENNETH MARSTON, MINING EDITOR

I STILL think that this is going to be an exciting year in the mining world generally even though it is starting off with a spate of depressing earnings figures from most of the companies. In fact, it is because of this that I am prepared to be optimistic because the companies are reporting last year's news and all the pointers are to economic recovery.

Furthermore, the eventual revival in fortunes of the metal producers could be more marked than in other spheres of industrial activity because the existing mines largely have the field to themselves. It is worth bearing in mind that not only does it take some years to bring a new mine to production, but also newcomers have to countenance soaring capital costs. An existing "paid for" operation with room for expansion can thus be truly described as a very desirable property.

One such is the **Rio Tinto-Zinc** group's highly successful Palabora copper mine in South Africa which was brought to production in 1966 at a cost of some £40m.—one shudders to think how much would be needed to develop another Palabora these days.

This week Palabora has reported that its 1975 net profit has shrunk to R18.6m. (£10.5m.) from R45.5m. in 1974. The past year's dividend total comes out at 50 cents (28.3p) against 120 cents.

Sales last year exceeded production, it being necessary to draw upon stocks in order to meet a buoyant demand for copper in the electrification of South African Railways. Meanwhile Palabora is pressing on with its expansion programme and it should not be forgotten that the mine also has a uranium by-product potential.

Australia's **MIM Holdings** which is a major producer of copper as well as lead and zinc, has reported half-year earnings of $9.34m. (£5.8m.) compared with as much as $34.89m. in the same period of the previous year. The latest interim has been cut to 1.5 cents from 3 cents; the total for the year to last June was 10 cents.

MIM has been battered in all directions. It has suffered from lower metal prices, rising costs, increased royalty payments and lower sales. Unlike Palabora, its sales are below production capacity and are expected to continue so until metal markets recover. When they do, however, MIM's change of fortunes could be all the more dramatic.

You might also take this view about Canada's giant **International Nickel** which has reported this week a 37 per cent. fall to $US186.9m. (£92m.) in estimated net earnings for 1975. Here again, the story is one of lower metal sales and prices coupled with higher costs.

I feel that the recovery in nickel will be slower than in the other major metals in view of the big unexploited production capacity that is waiting to be unleashed and so I cannot recommend Inco shares at this stage.

Incidentally, it also occurs to me that while uranium is in the limelight at the moment, it is in a similar position to that of nickel. For that reason I refuse to get too starry-eyed about the prospects for Australia's potential uranium mines which, like Concorde, must overcome many environmental and political hurdles before they become fully operational.

Finally, South Africa's **Johannesburg Consolidated** has announced half-year profits of R13.1m. (£7.4m.) against R16.5m. a year ago. Reflecting the fall in revenue from the group's important gold and platinum interests, these earnings would have been lower but for the offset of sharply higher profits earned by the group's coal and industrial trading subsidiaries. "Johnnies" hopes that the fall in second-half profits will be less severe.

An interesting thought on gold is that of Mr. Peter Fells, Investment Research manager of Gold Fields' Investment Department, who has said that South Africa's output this year could improve to between 740-750 tons, compared with last year's 14-year low of 708 tons, as a result of a return to milling the higher grade ores.

Battered believers in gold may be amused by his comment on the metal to an Edinburgh University audience: "Like that other enduring institution, marriage, there may be little in logic to commend it, but the alternatives usually turn out to be either unsatisfactory, impractical or expensive."

Briefly

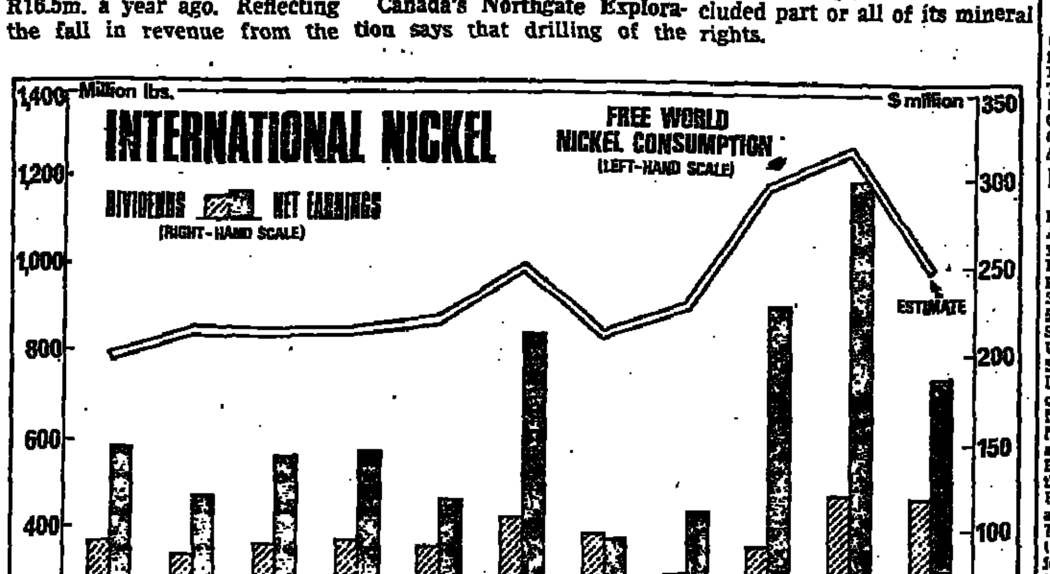
● **Selection Trust** is to acquire a majority shareholding in the Shand Group of private companies who are, among other things, contractors engaged in the mining of opencast coal in the U.K. Shand's pre-tax profit for the past year is expected to be £1.4m.

Canada's Northgate Exploration says that drilling of the gold placer concessions at Daniel's Creek in Alaska is expected to start on February 12. The company has a one-third interest in the concessions, **Westfield Minerals** having a similar stake and the remainder being in private hands.

● **The Union Corporation** group's **Geduld Investments** has turned in earnings of R2.59m. (£1.47m.) compared with R0.58m. in 1974. The final dividend of 27 cents (153p) takes the total to 40 cents against 34 cents in 1974. **UC Investments**, however, is holding its dividend total 36 cents (20.4p) with a final distribution of 25 cents from lower profits of R7.1m. (£4m.) against R8.4m.

● **Australian Consolidated Minerals** is buying, for $800,000 (£497,000) in cash, an effective stake of 10 per cent. in the Blue Spec gold-antimony mine in Western Australia from Australian Anglo American. The latter company currently holds 79 per cent. of the equity with the remainder in the hands of **Metramar Minerals**.

● Agreement has been reached whereby certain of **Free State Development's** mineral rights adjacent to the **Jeannette Gold Mines'** lease area will be prospected by the latter for a five-year period. FSD will be entitled to up to a 15 per cent. holding in any resulting mine which included part or all of its mineral rights.



TV/Radio

BBC 1

† Indicates programme in black and white

9.00 a.m. Bagpuss. 9.15 Jeannie. †9.35 Whirlybirds. 10.00 Play Rugby. 10.25 On The Move. 10.35 Bewitched. 11.00 The Little House on the Prairie. †11.50 Laurel and Hardy in "Brats." 12.10 p.m. Weather.

12.15 Olympic Grandstand: Football Focus (12.25); Racing from Wetherby (12.50, 1.25, 1.55); Winter Olympic Games (1.40, 2.10, 4.25); Rugby Union from Cardiff: Wales v. Scotland (2.40) and at 4.15 Reports from the other Rugby Union international France and Ireland; 4.50 Final Score.

5.15 News.

5.25 Sport/Regional News.

5.30 Dr. Who.

5.55 Its Cliff—and Friends.

6.30 Saturday Night at the Movies: "Broken Arrow," starring James Stewart.

8.00 Look—Mike Yarwood.

8.30 Kojak.

9.20 News.

9.30 Winter Olympics and Match of the Day Special

11.30 Parkinson: Michael Parkinson with Elton John and Michael Caine.

All Regions as BBC-1 except at the following times:—

Wales—9.35-10.00 a.m. Teliffant. 12.30 a.m. News and Weather for Wales.

Scotland—4.55-5.15 p.m. Scoreboard. 5.25-5.30 Scoreboard. 10.00-10.30 Sportscene. 10.30-11.00 The Songs of Scotland. 12.30 a.m. Scottish News Summary.

Northern Ireland—1.55-3.25 p.m. Grandstand: Rugby: France v. Ireland, and at 3.25 Re-join BBC-1 Grandstand. 5.05-5.15 Scoreboard. 5.25-5.30 Northern Ireland News. 12.30 a.m. Northern Ireland News Headlines.

BBC 2

7.40 a.m.-1.55 p.m. Open University.

3.05 Saturday Cinema: "The Sun Comes Up," starring Jeanette MacDonald.

4.35 Play Away.

5.05 The Money Programme.

5.50 Westminster.

6.20 Open Door.

6.50 News and Sport.

7.05 Rugby Special.

8.00 How Green Was My Valley.

8.55 2nd House.

9.55 Centre Play.

10.25 Network.

10.55 Open Door.

11.25 News On 2.

†11.30 Midnight Movie: "Panic In The Year Zero," starring Ray Milland.

LONDON

9.00 a.m. Angling Today. 9.25 Parents' Day. 9.50 The Beachcombers. 10.20 The Count of Monte Cristo. 10.45 Junior Police Five. 11.00 Run, Joe, Run! 11.30 Space 1999.

12.30 p.m. World of Sport: 12.35 On The Ball; 1.00 International Sports Special (part 1) Sport and the Cinema; 1.10 News from ITN; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Sandown; 1.45, 2.15 and 2.45 from Stratford; 3.10 International Sports Special (Part 2) Gymnastics, plus Swimming; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.

5.05 News from ITN.

5.15 The Adventurer.

5.45 Supersonic.

6.15 New Faces.

7.15 Sale of the Century.

7.45 "Lock, Stock and Barrell" (Made for television).

9.30 The Best of Upstairs, Downstairs.

10.30 News.

10.45 Thick As Thieves.

11.15 Horror!: "The House That Dripped Blood," starring Jon Pertwee.

12.55 a.m. The False Messiahs.

All ITV Regions as London except at the following times:—

ANGLIA

9.50 a.m. Checkmate. 10.15 Hammy Hamster's Adventures on the Riverbank. 10.30 Baldmoney, Sneezewort, Dodder and Cloudberry. 10.45 Adventures in Rainbow Country. 11.10 Clapperboard. 11.35 Tarzan. 5.45 p.m. The Flintstones. 7.45 The Big Film: "Rampage," starring Robert Mitchum and Elsa Martinelli. 10.45 Aquarius. 11.30 Russell Harty. 12.20 a.m. At The End of the Day.

ATV MIDLANDS

9.15 a.m. Plain Sailing. 9.40 Parents' Day. 10.10 Tiswas. 5.45 p.m. New Faces. 6.45 Six Million Dollar Man. 7.45 Saturday Cinema: "All The Way Up," starring Warren Mitchell, Adrienne Posta and Richard Briers. 10.45 Aquarius. 11.30 ATV Today Pick of the Week.

BORDER

9.30 a.m. Angling Today. 10.00 Parents' Day. 10.30 Dodo The Space Kid. 10.35 Paulus. 10.45 Wait Till Your Father Gets Home. 11.10 Daniel Boone. 12.00 The Geordie Scene. †5.15 p.m. Border Sports Results. 5.20 Cartoon Time. 5.30 New Faces. 6.30 Celebrity Squares. 7.15 Yus My Dear. 7.45 Big Star Film: "Rampage," starring Robert Mitchum. 10.45 Aquarius. 11.30 The Protectors.

CHANNEL

5.15 p.m. Space 1999. 6.15 New Faces. 7.15 Sale of the Century. 7.45 The Saturday Film: "Fantastic Voyage." 10.45 Aquarius. 11.30 Police Surgeon.

GRAMPIAN

10.40 a.m. Junior Movie: "Tom Sawyer." 12.00 The Geordie Scene. 5.15 p.m. Cartoon Time followed by Highland League and Shinty Results. 5.30 New Faces. 6.30 Celebrity Squares. 7.15 Yus My Dear. 7.45 The Big Film: "Rampage" starring Robert Mitchum and Jack Hawkins. 10.45 Aquarius. 11.30 Griff. 12.25 a.m. Evening Prayers.

GRANADA

9.15 a.m. Angling Today. 9.40 Parents Day. 10.05 The Count of Monte Cristo. 10.30 Dirty Sally. 11.00 Saturday Matinee: "Last of the Buccaneers." 5.15 p.m. Cartoon Time. 5.30 New Faces. 6.30 Yus My Dear. 7.00 Celebrity Squares. 7.45 The Big Film: Robert Mitchum in "Rampage." 10.45 Aquarius. †11.30 The Late Film: "Drum Crazy" starring James Darren.

HTV

10.00 a.m. Parents' Day. 10.30 Sesame Street. 11.30 The Adventures of Black Beauty. 12.00 Supersonic. 5.15 Cartoontime. 5.30 New Faces. 6.30 Honestly. 7.00 Celebrity Squares. The Big Film: "Rampage!" Robert Mitchum, Jack Hawkins, Elsa Martinelli. 10.45 Aquarius.

HTV Cymru/Wales—As HTV Service except: 6.30-7.00 p.m. Fillur.

SCOTTISH

9.30 a.m. Angling Today. 10.00 Parents' Day. 10.30 Ski-ing With Gina. 10.55 the Cat. 11.10 Animated Classics. The Geordie Scene. 5.15 p.m. Song. 5.30 New Faces. 6.30 Yus My 7.00 Celebrity Squares. 7.45 Feature "Madron" starring Richard Boone, Leslie Caron. 10.45 Aquarius. Call. †11.35 Late Night Movie: Fools."

SOUTHERN

9.15 a.m. Angling Today. Day. 10.10 Regional Weather. 10.15 Sylvester. 10.25 Supersonic. Adventures in Rainbow Country. Daniel Boone. 12.15 p.m. 5.15 Return to the Planet of the 5.35 Candid Camera Classics. Magician. 7.00 Celebrity Squares. The Big Film: "Rampage!" Robert Mitchum, Jack Hawkins, Martinelli. 10.45 Aquarius. News. 11.35 Griff.

TYNE TEES

9.30 a.m. Angling Today. Day. 10.25 Ski-ing With Gina. Paulus the Woodgnome. 11.10 Daniel Boone. 12.00 5.15 p.m. Cartoon Time. 6.30 Celebrity Squares. 7.15 Yus My 7.45 The Big Film: "Rampage!" Robert Mitchum, Elsa Martinelli, Jack Hawkins. 10.45 Aquarius. Collaborators. 12.25 a.m. Epilogue.

ULSTER

10.30 a.m. Planting For Pleasure. Hammy Hamster's Adventures Riverbank. 11.30 Sesame Street. Ulster Sports Results. 5.15 The Bunch. 7.45 Saturday Movie: Berlin" starring Michael Caine. Aquarius. 11.30 The Protectors.

WESTWARD

9.30 a.m. Angling Today. Day. 10.25 Big Blue Marble. And See. 10.55 The Geordie Scene. The Gus Honeybun Show. of the Apes. 5.15 p.m. Space New Faces. 7.45 The Saturday "Fantastic Voyage." 10.45 11.30 Police Surgeon. 12.00 Faith For

YORKSHIRE

9.30 a.m. Angling To-day. Day. 10.30 Wait Till Your Father Home. 10.55 Pipet and his Friends Flower Stories. 11.10 Daniel Boone. The Geordie Scene. 5.15 p.m. Time. 5.30 New Faces. Squares. 7.15 Yus My Dear. Big Film: "Rampage!" starring Mitchum and Elsa Martinelli. Aquarius. 11.30 The Collaborators.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 8.06 Ed Stewart (S) (also on VHF) with Junior Choice including 8.45 Young Ideas in Action. 10.00 Rosko. 1.00 p.m. George Melly's Top Twelve (S) (also on VHF). 2.00 Alan Freeman (S) (also on VHF). 5.00 Paul Gambaccini (S) (also on VHF). 6.30 In Concert (S) (also on VHF). 7.30-12.33 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Tom Edwards (S). 8.03 Racing Bulletin. 8.06 As Radio 1. 10.02 Charlie Chester with your Smiling Saturday Show (S). 12.02 p.m. Two's Best (S). 1.02 The Easter Egg Parade (1500m. only, also 202m. Scotland, VHF joins Radio 1) 1.30-5.55 Sport on 2 (1500m. only, also 202m. Scotland, VHF joins Radio 1) Rugby Union (1.45, 2.00, 2.45, 4.50, 5.25), Wales v. Scotland, France v. Ireland; Football League Special (1.30, 2.45 with results and classified checks at 5.00 and 5.45); Racing from Sandown (1.40, 2.25, 4.50, plus results from other meetings and classified check at 5.40), news of the semi-finals of the British Open Squash Championships and the Winter Olympics, and at 5.00 Sports Report. 6.03 Star Sound (1500m. only, also 202m. Scotland, VHF joins Radio 1). 7.02 The least worst of Hello Cheeky (1,500m. only, also 202m. Scotland, VHF joins Radio 1). 7.30 Radio 2 Top Tunes (S). 8.30 The Musical World of Peter Morrison (S). 9.02 Saturday Night with the BBC Radio Orchestra (S). 10.02 Europe '76 (S). 11.02 Sports Desk. 11.05 Brian Matthew with The Late Show (S) including 12.00 News. 12.31-12.33 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

8.00 a.m. News. 8.05 The Young Idea (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.05 The Equation, opera in one act by Geoffrey Bush (S). 12.02 p.m. Robin Ray presents a selection of popular classics: gramophone recordings (S). 12.55 News. 1.00 Foreign Press Review. 1.15 Haydn and Brahms concert (S). 2.15 Man of Action: Sir Monty Finniston chooses records (S). 3.35 Music of the Masters (S). 5.00 Jazz Record Requests (S). 5.45 The Classical Guitar (S). 6.15 Critics' Forum. 7.05 Dallapiccola (S). 7.35 Andrei Sakharov, Soviet physicist, winner of the 1975 Nobel Peace Prize (talk by Peter Reddaway). 8.00 Tortelier, Leinsdorf and the LSO, part 1: Haydn, Britten (S). 9.00 Visiting Reputations: dancer, choreographer and stage director, Sir Robert Helpmann. 9.20 Concert, part 2: Brahms (S). 10.10 New Light on Donizetti and Verdi (talk by Winton Dean). 11.00 Couperin harpsichord recital (S). 11.25-11.30 News, Weather.

Radio 3 VHF only—7.00-8.00 a.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

2 Medium Wave only

6.30 a.m. News. 6.32 Farming To-day. †6.50 Outlook. VHF Regional News. 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm. 7.40 To-day's Papers. 7.45 Outlook. 7.50 To-day including at †7.50 Keep Fit or VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of To-day with 8.30 Sportsdesk and 8.40 To-day's Papers. 8.50 Yesterday in Parliament. 9.00 News. 19.05 From Our Own Correspondent. 19.30 The Week in Westminster. †10.00 News. †10.02 The Weekly World. †10.15 Daily Service. †10.30 Pick of the Week. †11.30 Science Now. 12.00 News. 12.02 p.m. Robin Ray (S) (as Radio 3). †12.55 Weather, programme news. VHF (except London and S.E.) Regional News. 1.00 News. 1.15 Any Questions? 2.00 Weekend. †3.00 News. †3.05 Thirty-minute Theatre. 3.35 Music of the Masters (S) (as Radio 3). 5.00 PM Reports. †5.55 Weather, programme news. VHF (except London and S.E.) Regional news. 6.00 News. 6.15 Stop the Week with Robert Robinson. 7.00 News. 7.02 Desert Island Discs. 7.30 These You Have Loved (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 A Word in Edgeways. 11.00 Lighten Our Darkness. 11.15 News.

Open University (VHF only) 9.05 a.m.-12.00 and 2.00-3.35 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 7.32 Good Fishing. 8.00 News: Weather, traffic and to-day's sports news. 8.15 The London Gardener. 8.30 Saturday Scene. 10.30 Sportsline. 11.30 The Robbie Vincent Saturday Show. 2.00 p.m. Close Up. 2.30 London Sport and Music. 5.00 As Radio 2. 6.00 News. 6.10-12.33 a.m. As Radio 2.

London Broadcasting

261m and 97.3 VHF

6.00 a.m. Morning Music. 7.00 Holiday 261. 7.30 This is London. 8.00 "AM." 10.00 Jellybone. 12.00 London's Week. 1.00 p.m. Newswatch. 1.30 Sportswatch. 6.00 Newswatch. 6.30 Parliamentary Report. 7.00 p.m. Artsweek. 9.00 David Bassett. 1.00-5.30 a.m. Nightwatch—news every half-hour.

Capital Radio

194m and 95.8 VHF

6.00 a.m. Kerryground. 9.00 Capital Countdown. 12.00 Kenny Everett. 2.00 p.m. Person to Person. 4.00 London Link. 6.00 Soul Spectrum. 10.00 Tommy Vance. 2.00 a.m. Night Flight.

Advertisers choose evening newspapers

ADVERTISERS are turning creasingly to regional eve newspapers to display wares, according to figures lished yesterday by the Eve Newspaper Advertising Bur It said local papers had a re 9.8 per cent. share of nati display advertising last compared with 9 per cent 1974.

Since 1973, they had overt the general weekly maga and popular Sunday papers their share of advertising were only surpassed last year the popular and the qua dailies.

هكذا صدر الأصل

Your savings and investments

'elf-employed pressures

:RIC SHORT

ELF-EMPLOYED can ry little from the state rm of pension benefits, the Government has lying the feasibility of the self-employed in ngs-related part of its ion scheme. However, ple can make private rovision through a life contract, carying with would appear to be tax treatment.

he accountants still that employed persons favourably treated in of pension provision. sultative Committee of ncy Bodies has sent a the Chancellor of the er, in the usual round udget advice, seeking ax concessions for the oyed in making pension

nount of pension pay- in employed person is ed in most cases by his ry and his employer's ions are fixed accord- In contrast, the self- l has the amount of ions fixed by the tax its and the accumula- these contributions es the ultimate pension This is equivalent to the pension on the earnings of the self- l and as a consequence a lower pension com- with his employed art.

ccountants point out their early working self-employed people ly have insufficient sources from which to nsion payments. When in a position to make eficit in later years, the ts prevent them from

ingly, the Chancellor is ked by the accountants the present earning contributions from 15 to 30 per cent. per and to remove com- ny monetary limit (at £1,500). This would the self-employed to much higher contribu- pecially in the later wards their pension. In they are seeking a new ef, in that a self- l person should be able, ne of his retirement, to ingle payment sufficient ure a "two-thirds" based on some average of final earnings with tax relief spread backwards over a period of years. The accountants suggest six years.

In their requests the accountants are simply trying to bring the pension provision of the self-employed on a par with the employed and it is to be hoped that their suggestions will receive a sympathetic consideration. There is little fear that such contracts could be used as tax avoidance schemes. The individual locks his contributions away in the life policy and these cannot be unlocked until he retires or dies. The least that the Chancellor should do this year is to update the tax limits.

Index-linked check list

INVESTORS HOLDING the new index-linked National Savings Certificates have quite a task if they wish to follow the progress of their investment. First they have to remember the value of the Retail Price Index at the time of purchase, then they have to ascertain the current value of this index and finally perform a series of calculations to obtain the value.

The Department of National Savings is easing this problem for investors by sending to post offices a card containing the relevant RPI figures to be used in the calculations and it also gives the calculation formula. This card will be updated every month. So far so good for those who like to perform mathematical calculations.

But many people will find the calculations beyond them, especially the elderly. The method for the SAYE contracts involves a separate calculation for each contribution and then adding up all the answers. I cannot understand why the department did not go all the way and simply produce a table, for each type of certificate, which shows the current value of a £10-bond or an investment of £10 per month for SAYE for each month of purchase, a table which we suggested some weeks ago should be prepared. I would suggest something on the following lines for the Retirement Bond of £10.

Month:—February, 1976.

Month of Purchase		Value £
1975	June	11.31
	July	10.85
	Aug.	10.65
	Sept.	10.54
	Oct.	10.48
	Nov.	10.39
	Dec.	10.24
1976	Jan.	10.12

Question of flotation

BY CHRISTOPHER HILL

IN THE light of the mishaps which have occurred over the past few years, a public flotation of a successful financial group now tends to be viewed with mixed feelings. I refer in particular to the strong possibility of a public share issue by Hambro Life, the life assurance subsidiary of Hambros Bank which in 5 years has grown from nothing to a substantial group with over £300m. in its life fund. All this super-growth has been identified with the talents of Mark Weinberg who has proved that it is possible to build a life company twice in a decade—his earlier efforts were with Abbey Life, Hambros' closest rival.

One can visualise that any issue of Hambro Life shares might be heavily over-subscribed in a bull market environment which would inevitably lead to a *high premium rating*. Being a realist Mark Weinberg admits this, though he added in a recent conversation that the institutional investor might take a longer term view, which would put a brake on the prospective rise in the share price.

But, looking at an issue of Hambro Life from the policyholders' viewpoint, one has to consider whether a public flotation of the company would do *them* any good. I must say that I doubt it. The major object of a share issue of Hambro Life would be to reward the 400 or so shareholders—partly Hambros Bank which holds 56 per cent. of the equity and also the executives of the company who helped to build it up and are obviously interested in reaping the benefits of their endeavours.

There is no technical need for new capital at Hambro Life and Mark Weinberg is not in *favour of expanding by taking* over other insurance companies, preferring a policy of internal growth. So I wonder whether a public quotation might prove more of a burden than an asset. The status of a "go-go" insurance company is not exactly an enviable one and *it would be a pity if the* management was distracted from the task of running the insurance company by the gyrations of the share price.

Mr. Weinberg claims that he would be happier to go public when the stockmarket was low but of course that does not tend to be the way of the world. However, Hambros would retain a substantial interest in the public company and the directors would be liable to hold on to most of their shares.

At any rate, Mr. Weinberg is still thinking of new ideas for Hambro Life, tinctured by his usual caution. He was slow in going into the guaranteed income bond field and is glad that life companies are debarred from going into commodity linkages—which might otherwise have been a strong temptation for more aggressive companies. His current innovations are concerned with finding new ways of building high life protection cover into contracts.

Also on the subject of possible flotations, Save and Prosper has been tipped from time to time as possibly coming to the market. Its major shareholders are *Atlantic Assets*, Baring Brothers, Robert Fleming and Bank of Scotland. But David Maitland, the managing director of the group, said that this was not a prospect "at the moment."

Making a flotation of a savings-orientated group is difficult and not all the precedents are entirely happy.

A closer look at whisky

BY TERRY WILKINSON

LAST WEEK'S protests from the Scotch Whisky Association—which essentially attributed the cash starvation of the whisky industry, and, indeed, the potential shortage of mature whisky by the 1980's, to the Government's excise duty policies—raised at least a few eyebrows among observers of the industry. Co-inciding, as it did, with the announcement of a 75p per case increase in *the price of export whisky, it* suggests that some reassessment of the state of the industry is in order, following the traumas of 1974. Share prices firmed ahead of the announcement, and on current ratings, as the table shows, there are few obvious bargains. However, the sector has lost status over the past few years and, given the recovery potential in earnings, the shares merit a closer look.

Impact on blenders

The three main characters in the piece are cereal prices of malted barley and maize, the giant DCL company which dominates world industry, and the Government. These factors, in combination with the underlying growth in world consumption, estimated at around 8 per cent. per annum, largely deter*mine the fortunes of the indus*try. To start with cereals, in the wake of the commodity boom of 1973-74, prices simply doubled; but the impact on the industry has been less than straightforward. The initial brunt is borne by the distilling companies; between 1973 and 1975 grain new fillings prices rose from around 45p per gallon to 85p, while malt prices (most blends are in a 70:30 ratio in favour of grain) rose from about 90p per gallon to £1.70p. Providing that volume could be maintained, these price movements produced healthy results from the pure distilling com*panies. But the impact on blen*ders (and this would include vertically integrated companies) had a number of ramifications.

In the first place the strain shows in the balance-sheet; the rising value of stocks, coupled with the need to increase the volume of stock in line with the rising trend of consumption, had a swift impact on interest charges at a time of historically high interest rates. Thus, in 1974, independents like Teacher and Arthur Bell saw trading profits gains of 10 per cent. or so transformed into a sharp downturn at the pre-tax level by marked rises in interest charges. This was compounded by sizeable capital expenditures as companies adjusted both their capacity and degree of integration, via bottling plants for example, to forecast trends in volume. The interest burden was exacerbated by the 64p-a-bottle rise in Excise duty in the spring Budget — the industry estimates that it provides a £100m. loan, interest free, to the Government, for two months as a result.

	High/Low	Price p	Cover	Yield %	P/e
A. Bell	152/73	150	3.4	5.7	8.5
DCL	152/65½	149	2.3	5.6	15.8
Glenlivet	183/100	182	3.8	2.9	14.0
Tomatin	67/31	60	3.1	5.9	8.6
Teacher	235/90	225	2.1	5.6	12.8
500 Share	179/64	177	—	5.3	10.2

But current margins were affected not only by the sharp rise in interest charges but also the effects on costs of soaring packaging and bottling costs during 1974. This is where the DCL comes in. As a world market leader, the DCL has a below average exposure to the U.K. market as such—the average is about 20 per cent. compared with a 60 per cent. and 50 per cent. exposure for Arthur Bell and Teacher respectively. By a series of quarterly price rises during 1975 amounting to nearly £3 a case net of agent's discount, the DCL has transformed profitability in the U.K. market. The effect on margins—costs can hardly have risen by more than 75p—100p a case in the past 12 months—has already been reflected in the interim results from whisky companies. Bell's, after being some 15 per cent. down at the halfway stage *(including a 20 per cent. drop* in whisky profits) is expecting to produce at least similar profits for the year and Teacher, after a 10 per cent. rise is also looking for similar profits, indicating a 60 per cent. plus gain in the second six months. Here, the important U.K. market has run out 1 per cent. ahead on volume in 1975—a resilient performance in view of price and duty rises.

DCL itself, having disappointed the market with much reduced profits in 1974-75 and having nearly provoked a shareholders revolt, emerged only £1.6m. lower at the interim stage at £42.5m. pre-tax. While analysts, somewhat apprehensively, revised their profits forecasts for the year up to £85m. and well over £100m. in the following year, the shares have staged a strong comeback. The impact of the export price increase in January of 75p per case, following a rise of 50p in the summer, is uncertain. The increase covers 60 per cent. of *industry bottled exports by* volume and while the DCL is applying the increase to EEC countries no increase is to be levied in the U.S. This is for two reasons. On the one hand it has been a problem area in that consumers have been trading down from premium blends, bottled in Scotland, to home products bottled from bulk imports of whisky. This problem featured in the results of both DCL and Teacher as the U.S. accounts in each case for about a fifth of sales.

Export markets

However, the practice of "dollar invoicing" at a fixed rate of $2.60 has already thrown up a premium price, in sterling terms for U.S. exports of around 45p per case, thanks to the decline in the pound. But overall, export markets have picked up strongly since the third quarter of 1975 and have ended 3 per cent. ahead on volume and 12 per cent. in value terms after the severe destocking of the first nine months: since stocks are apparently low, in historical terms, the price increase could be well-timed.

So, overall, margins are going to continue to improve. This will be enhanced, in working capital terms, by the cut-back in new fillings production, which, incidentally, has already made severe inroads into the profits of malt filling producers Tomatin and may even dent the recent growth pattern of Glenlivet; and also by the stabilising of distilling costs—new filling prices fixed annually in January showed no change over the previous year. But the point about new fillings is that the doubling of prices in 1974 will not feed through to operating margins until 1977-78 at the earliest. And as they account for some 30 per cent. of the cost of a case of whisky, this implies a 30 per cent. rise in costs at that date (all other costs remaining the same) which is another interpretation of the recent succession of price rises. Assuming that whisky markets display the same resilience as they have in 1975, taken as a whole, the market ratings of DCL and blenders Arthur Bell and Teachers do not look particularly over valued, but are prob*ably high enough until the* results, due in the next few months, are out of the way.

Regular savings

BROWSING through the new edition of the *Regular Savings Plans* handbook, I found myself reading the introduction with more interest than is usual with the general run of handbooks. David Lewis the editor comes out with some fighting talk about the charges imposed by insurance companies issuing unit-linked plans, commenting that while investment-linked policies can be very simple in theory, in practice very many tend to be complicated. He also detects a correlation between complication and poor value for money, concluding that if the person being sold one of these policies could easily see how poor it was, he would not wish to invest in it. *Mr. Lewis suggests that com*panies should be compelled to work out projections according to a standard formula so that the basis of comparison would be easier. Readers who wish to test companies according to the editor's formula can obtain the handbook at £3.85 from Fundex Ltd., Freepost London; EC2R 2XY. C.H.

Finance and the family

Wife's share of a house

BY OUR LEGAL STAFF

I am in the middle of divorce proceedings and my wife is claiming a share of my house, for which I paid in full. In the early part of our 12-year marriage, my wife worked for three years and on the strength of this her solicitors are saying she is entitled to a third of its value. Should it not be much less?

We agree that your wife's entitlement, if anything at all, would appear to be much less than one-third of the value. If she worked for three out of 12 years, we doubt if her potential interest would exceed one-eighth (half of one quarter) unless her earnings significantly exceeded yours, and it may well amount to no more than one-tenth. However, the Court has power to vary the existing legal rights by ordering that a capital interest in the house be vested in the wife.

Damage to traffic bollard

What is the position if a driver knocks down a traffic bollard? Does he have to report the damage to the police or to the local authority concerned? Is he legally liable to pay the cost of repairing the damage?

Section 25 of the Road Traffic Act 1972, which imposes the duty to report an accident does not apply where the damage is not to a vehicle or animal and there is no injury to a person. In 1939 the court held that damage to a wall was not reportable, and the same principle would apply to a bollard. Assuming that the damage was not caused wilfully, there would be no criminal sanction. The driver may, of course, be liable to the owner of the bollard (the Highway Authority) in a civil claim for damages; but it would be a matter for his conscience, not a duty enforceable by penalty, for him to inform the owner of the property which he has damaged, that he had caused the damage.

Not entitled to possession

I am one of several people living in a furnished property for which we have one tenancy. Recently one of our number left, and we now find that the landlord has moved his son into the vacant room. Given that there is one tenancy for the whole house, can the landlord do this, and if not, what steps should we take in order to force his son to leave?

The landlord is not entitled to take possession of part of the demised property unless the contractual lease has been terminated and either an order of the court for possession of the property, or part of it, has been obtained or the tenancy is one to which the Rent Acts do not apply. As the Rent Acts do appear to apply in your case the person or persons who are the tenants ought to take immediate steps to recover possession of the room. It would be wise to consult a solicitor with a view to issuing proceedings for an injunction.

Abatement of noise

I live near a factory, which has recently had a major extension, resulting in a round the clock noise of an irritating nature. Is there anything I can do about it?

You may have a cause of action for nuisance by noise and/or vibration. It is however difficult to establish a claim of this nature. You should consult a solicitor. However you may wish to consult first with the Noise Abatement Society of 6 Old Bond Street, London, W.1, whose experience in such matters enables them to offer much practical advice.

Interest in a house

My aunt went to live in a new house bought in the name of her son-in-law, though she contributed about 25 per cent. of the cost. Should she decide to leave because of unkind treatment, could she enforce a sale of it in order to recover her share?

While your aunt may not be able directly to enforce a sale of the property, she may be able to apply for a declaration as to the extent of her interest in the house and an order for payment of that proportion of its value. To do so she must be able to establish that she contributed the amount which you indicate and that it was intended to be the purchase of a share in the property, and was not a loan. Even if it was a loan, she would of course be entitled to repayment with interest.

Discretionary trust

Before moving to the Channel Islands, my wife and I made a discretionary trust providing for present and any future children of named beneficiaries and for any balance to be distributed by the trustees to charity when the trust expired in 21 years. For tax reasons we would like to get the trust to the Channel Islands. Could it be thus transferred? Alternatively could it be broken?

As the class of discretionary objects includes unborn children you cannot terminate the trust out of court. Where the beneficiaries reside in the United Kingdom the court would not normally make an order permitting the trust to be "exported" to the Channel Islands. You could arrange for an application to be made to the Court to sanction the termination of the trusts if appropriate provision is made for those discretionary objects who are minors and to provide for those who are unborn. If that is desired you should consult solicitors in order to have a scheme prepared and to obtain advice as to the fiscal implications of terminating the trust.

Development land tax

As executor of my late father, I own five acres of land used for farming until a few years ago. I have applied for planning permision and if successful will try to get a local builder to erect six houses to begin with and as these sell, to erect further houses. However, I have been approached by a large building firm which wishes to buy the land. What, please, is the tax situation?

You give us little background information, that is, how long ago your father died, but it seems quite likely that the sale of the land would be regarded as an adventure in the nature of trade, so that the profit would be chargeable to income tax. Alternatively, it might be partly chargeable to income tax as a development gain (under the 1974 legislation) and partly chargeable to capital gains tax.

The imminence of the first appointed day under the Community Land Act 1975, namely April 6, 1976, makes it a matter of urgency for you to seek skilled tax advice. Although this reply is being written before publication of the Development Land Tax Bill, the main features of the proposed tax are set out in the blue book published last August (Command paper 6195) and it is virtually certain that the 80 per cent. development land tax will apply to sales of development land on and after April 6. The rules governing the charging of capital gains tax in addition to development land tax are set out on page 56 et seq. of the blue book.

After taking professional advice on the value of the land and the prospective tax position, you may well decide to sell out before April 6.

Entitlement to notice

Though above pensionable age, I am still working for a firm where I have been employed for 16 years. There is talk of redundancy among the employees. To how much notice would I be entitled?

You would be entitled to eight weeks' notice in view of your having been employed for more than 15 years. You may also be entitled to a redundancy payment.

Widening a highway

If the made-up country road on which I live is widened, will the cost be borne by the highway authority or by the frontagers, please?

If a road which is already a highway is widened the costs of widening are borne by the highways authority, not by the frontagers.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Non-resident's securities

In your issue of November 22 under the heading non-resident's securities, you replied to an inquirer who had not been through the emigration procedure that he would nevertheless still be eligible for the premium on a sale of securities after his return, but your second paragraph seems to throw doubt on this. Could you please elucidate, as I have worked abroad for 14 years, have not gone through the emigration procedure and wonder whether I should now do so?

We are sorry that our published comments on the investment currency premium have caused confusion. The basic position is that foreign currency securities held by a U.K. resident (whether he had remained U.K. resident for exchange control purposes during his stay abroad or has immigrated to the U.K.) would have to be deposited with an authorised depositary in the U.K.

In the situation of a U.K. resident who has worked abroad and used foreign earnings to buy foreign currency securities, these securities would not be regarded as premium-worthy immediately on his return to the U.K. However, the extent of this restriction depends on the length of time for which the resident has worked abroad. If this is less than three years, the restriction would be indefinite; if it is three years or more, the restriction would apply under present practice for only two years after return to the U.K. A similar two-year restriction applies to immigrants, unless as foreign nationals they have been granted a measure of exemption from the rules for such securities.

In summary, therefore, securities bought out of earnings abroad would attract the premium but only after two years from your return to the U.K.; there seems no advantage in your taking emigration treatment now.

Insurance

Suddenly coverless

BY JOHN PHILIP

A LITTLE over a week ago, in the High Court, the judge had to consider a claim against the United Kingdom Temperance and General Provident Institution in respect of the death of a policyholder, a Mr. Ernest Scragg. Mr. Scragg had been killed when his car crashed and burst into flames on the Silverstone Circuit on November 16, 1974. At the time, he was participating in a meeting organised by the Hertfordshire County Auto and Aero Club—in which he and other motorists raced, not against one another, but individually against the clock.

Mr. Scragg had several life policies with the U.K. Temperance: all of them excluded insurers' liability for death the direct or indirect result of "motor racing, motor hill climbs motor trials or rallies." Insurers—and you may think, not unreasonably—argued that at the time of his death, Mr. Scragg was engaged in motor racing. But his executors nevertheless asked the judge for a declaration that insurers should pay—on the ground that the phrase "motor racing" did not include races against the clock, which should properly be termed motor sprint events.

The judge, after hearing evidence from motor sport experts, decided that the phrase "motor racing" should be restricted to events in which the competitors all started at the same time and place, subject to any handicapping: he also held that sprint events, being individual, were much less dangerous than such motor races. And he ruled that insurers could not rely on their exclusion to avoid the claims.

I do not intend discussing the pros and cons of this dispute, because insurers asked for a stay of execution while they considered whether or not they should take their argument to the Court of Appeal.

Sufficient be it to state a general legal rule applicable to the interpretation of insurance policies—and for that matter to the interpretation of all other contracts for the supply of goods and services. This is that the words of any exclusion clause must be strictly, even narrowly construed, so that if there is any doubt as to their meaning, then the policyholder has the benefit of that doubt.

Secondly, I must repeat the advice I have often given previously — every policyholder should carefully read his policies so that he knows what exclusions there are: if he is uncertain of their extent, or of their applicability to any of his individual activities, then he should discuss with insurers. It is far far better to have certainty in advance of trouble than to have a dispute when a claim has to be made.

In the normal course of events, and for the average

policyholder, life assurance policies are not sold subject to the exclusion of hazardous sports and pastimes. But disablement policies are—many, for example, carry the exclusion of "racing other than on foot."

Anyone who wishes to compete—in motor, cycle or yacht—must usually pay extra premium to his insurers to get cover specifically included for his particular sport. How much will depend on insurers' view of the degree of hazard involved and the frequency of participation. In practice, most insurers have a fixed scale of percentage loadings for the inclusion in disablement policies of a whole range of activities — but very few will include any kind of winter sports at any price, so the would-be skier has to buy insurance from one of the few specialist insurers.

With the present high cost of motoring, there is something of a swing back to the motor-cycle as a means of transport: life assurance policies do not normally exclude motor-cycling any more than they ... flying accidents—but ... accident and disablement ... ances often do: the PA ... holder who wants moto... accidents covered may ha... pay double premium fo... inclusion of the risk.

This brings me back to ... fundamental principle of ... pretation: a moped is ... motor-cycle, and unless ... policy exclusion specifi... refers to death or disable... arising out of the riding ... moped, the PA policy... has cover without paym... extra premium. But exclu... clauses vary, so as I have ... it is necessary to read ... policy and its exclusions ... fully.

Motor insurance contra... complex, particularly as ... contract comprises policy ... statutory certificate, which ... interrelated. But there are ... basic features in almost ... policies. For example ... motorist who insures for ... domestic and pleasure purp... and for use in connection ... his own business will norm... find that insurers ex... among other things "... racing, competitions, ralli... trials."

These words are wide ... to exclude the kind of ev... which Mr. Scragg was p... pating, for if the trial judge ... correct and Mr. Scragg wa... racing, then he was engag... a competition of some ... Without amendment and ... ment of extra premium ... average motorist's policy ... apt to cover racing against ... clock.

Other similar clauses ... found in some motor po... exclude "racing, pacema... speed testing or relia... trial," and to the motor ... ing fraternity in particular ... words and phrases have p... meanings. But the or... motorist who is going to ... some unusual use of his ... other than, say, to particip... his sports club's annual tre... hunt—should let his moto... surers know what is invol... and make sure he is cov... both on and off the road, be... he sets out. Otherwise not ... does he run the risk of be... uninsured in the event ... accident but also he runs ... risk of prosecution, fine, ... disqualification for driving w... out insurance.

Concorde

There and back in a day

The dust is still swirling about Concorde's landing rights in the U.S. But, when the lobbyists and politicians have had their say, what practical purpose will a supersonic service offer? ***Michael Donne*** *reports*

NOW THAT the U.S. Government has cleared Concorde for a 16 months' trial period of operations into Kennedy Airport, New York, and Dulles Airport, Washington—subject to any U.S. domestic litigation and Congressional action that may upset the situation—British Airways has begun detailed planning for the start of Atlantic passenger flights.

Although the ruling by Mr. William T. Coleman, U.S. Secretary for Transportation, allows BA two return flights a day between Kennedy and Heathrow, and one return flight daily between Dulles and Heathrow, the airline plans to start on a more modest basis, to test the strength of the market. Current plans centre on one Concorde return service daily betwen Kennedy and Heathrow, building up to ten return flights weekly by around the end of this year, and perhaps expanding to the full two return services a day in early 1977 if demand warrants. For Washington, the initial operation is likely to be once-weekly, building up to three return flights a week by the end of this year, expanding to the full permitted daily frequency by early 1977, if demand warrants.

The 16 months' trial period is due to start as and when the first commercial flight is made. BA is not expected to start flying much before early May, however, because of the immense amount of preparatory work involved. It will only be getting its second Concorde in mid-February and its third by end-May, and in the interim must train more pilots, cabin crews and ground staff, and undertake extensive sales publicity in the U.S.

Much depends on the way in which any litigation within the U.S. against Mr. Coleman's decision goes. This could drag on for months, delaying the start of services perhaps until the late summer or early autumn. This should not stop any businessman from making advance reservations if he wants to, however. Some passengers on the inaugural flight and early services to Bahrain booked their seats years in advance. BA will take an Atlantic reservation, with the proviso that it cannot specify as yet when it will be able to carry passengers.

The first question any businessman is likely to ask is: what will it cost to fly Concorde to the U.S.? The answer is: first-class plus 20 per cent. On present first-class rates, this will mean a return fare of at least £580 to New York and £620 to Washington. These rates are provisional however, and could be raised, for several reasons.

As yet, there is no agreement among the scheduled airline-members of the International Air Transport Association on all North Atlantic air fares from April 1. There is to be a presidents' and chief executives' meeting in Geneva to try to settle difficulties which have so far prevented any agreement in the normal IATA traffic conferences—stemming from differences of view between the U.S. and European countries (including the U.K.) over new cheap-fare charters which the U.S. wants to introduce on the route for this summer. Until this issue is settled, under the IATA unanimity rule no other Atlantic fares, including Concorde rates, can be fixed.

It seems likely, moreover, that all Atlantic rates will have to rise from April 1 anyway, to take account of rising costs, while, because of the declining value of sterling against other currencies, there may be a special currency surcharge on fares out of the U.K. The net effect of these factors may well be to raise prospective Concorde Atlantic rates well above the presently envisaged levels.

So far as schedules are concerned, the picture seems clearer. BA's provisional plans (allowing for a five hours' time differential between the U.K. and Eastern USA) envisage a departure from Heathrow to Washington at 10.45 (equivalent to 05.45 Washington time), arriving there at 09.50 local time, after a 4 hour 5 minute flight, which compares with the current subsonic journey time of 8 hours 20 minutes. The return flight will leave Washington at 11.45 local (equivalent to 16.45 Heathrow time) arriving in London at 20.35, after a 3 hours 50 minutes flight, which compares with an Eastbound subsonic Jumbo jet journey of 7 hours. These Washington schedules are provisional. BA may prefer, for example, to introduce an evening departure, so as to capture traffic flying in subsonically from other parts of the U.S. to join the Concorde for London.

So far as Kennedy is concerned, BA aims to leave Heathrow at 11.15 daily (equivalent to 06.15 NY time), arriving at New York at 10.15 local, after a 4 hours flight, which compares with 7 hours 35 minutes Westbound in a subsonic Jumbo. The Concorde would depart Kennedy at 12.15 (equivalent to 17.15 Heathrow time) arriving back in London at 21.00, after a flight of 3 hours 45 minutes which compares with a subsonic Jumbo time of 6 hours 50 minutes.

If demand justifies the introduction of the second daily flight, this could leave Heathrow earlier, at 09.30 (equivalent to 04.30 New York time), arriving at Kennedy at 08.30 local, again a 4 hours flight. This aircraft would leave Kennedy at 10.30 (equivalent to 15.30 Heathrow time), arriving in London at 19.15 local, again 3 hours 45 minutes flying.

It must be stressed that these schedules are provisional and could be changed before services actually start to take account of local factors, the availability of aircraft and so on. But, broadly, they do indicate that a businessman may eventually be able to leave London on the 09.30 Concorde, and still have between 08.30 and 12.15 in which to conduct a quick business meeting in New York, leaving on the second aircraft of the day to get back to London in time for bed.

Just how many businessmen would want to do this is debatable, but presumably there will be some who for special reasons will want to take the opportunity of "New York and back in a day" that Concorde will make possible. BA says that already, for example, it has over 2,000 bookings from would-be Atlantic Concorde fliers, and it expects the list to lengthen now that there is a real possibility of services this summer.

BA is well aware that some of the air time saved could be wasted through Customs and Immigration facilities on the ground at Kennedy—which as many subsonic passengers know can be tedious in the extreme. BA hopes that, because it owns its own terminal at Kennedy, it may be able to introduce special Customs and Immigration facilities for Concorde passengers, in addition to the new "fast check-in" system it intends to instal there (as it has done at Terminal Three at Heathrow). It will aim to cut check-in times in the U.S. to 20 minutes prior to departure, as it has done at Heathrow, but it is not planning any special ground transport links between the airports and the city centres. It is working on the assumption that the majority of Concorde passengers will be businessmen who will be met at or brought to the airport.

CHESS SOLUTIONS

Solution to Position No. 100. (a) 1...R-QR5; 2 R-R8 ch, K-B2; 3 P-QR7, R-R8; 4 P-KR6, PxP?; 5 R-KR8! RxP; 6 R-R7 ch wins for White. (b) Instead of 4...PxP Black could play 4...K-N3! 5 K-Q3 (5 PxP, KxP is a book draw) K-R2! and White cannot make progress.

Solution to Problem No. 100. 1 N-N5 (threat 2 Q-K4), P-Q4; 2 Q-B6. Traps are 1 N-Q2? K-K3 or 1 N-B3? K-Q5 or 1 N-B6? P-Q4 or 1 NxQP? P-N7 or 1 NxNP? K-B5.

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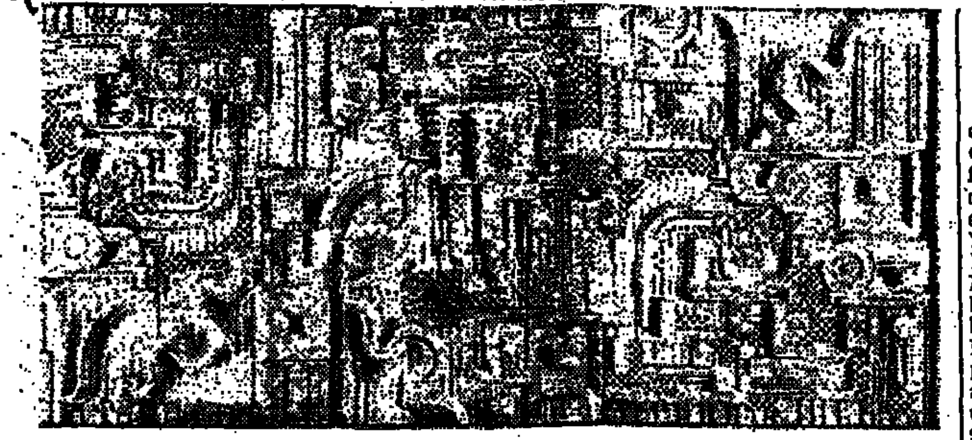


Niigata-Turkoma 1975 (bronze)

...aolozzi

BY WILLIAM PACKER

...of enfant terrible is a ...e to play, conferring ...ctor considerable res- ...erously laced with ...nd ensuring constant ...what he does. It ...challenge to a young ...mulus as he matures; ...obligations are likely ...rksome, a gruelling ...vention, surprise and ...ing the bourgeoisie is ...teasing one's peers is ...ier: the Art World is ...dience. And then it ...ear that innovation is ...me thing as achieve- ...that the one can do ...n without the other.

Paolozzi was the en- ...le of British Art for a ...filling the part admir- ...nevitably he out-grew ...ong continued to go ...e motions, as though ...as expected of him, but ...less conviction. Now it ...with this latest work, ...mportant change has ...ace, and problems

...the difficulty lay in ...own success. Blessed ...inate energy, ceaseless ...osity, and an intuitive ...of mind, he made ...t merely notable but ...ortant. One of the ...Pop Art, he was draw- ...y from popular culture ...ublic media from the ...on, and, with the ...mbers of the Indepen- ...up had established ...spectability for such ...erial by the early 50s, ...e "This is Tomorrow," ...hapel in 1956, spread ...ge further. Meanwhile ...ure was securing him ...ever widening recogni- ...ally, in the 60s, for his ...e agglomerations of scrap material, power- ...ic figures, images of man dehumanised by the machine. The found object, the ready-made, whatever chance put in his way, were transformed by his imagination, feeding off science-fiction and the horror comic. And then, as his work diversified through the 60s, and grew somewhat cooler and more ironical, he became the type of *the brave new artist, turning* every technology to particular advantage. In an age that saw Mr. Benn at Min. Tech. anything seemed possible.

A major retrospective at the Tate, in 1971, gave Paolozzi the chance to declare himself. He chose, bravely, to fly some kites, rather than sit back to accept and enjoy the compliments that 25 years work had earned him. The result was equivocal, both intriguing and disappointing. Much of the newer work was consciously polemical, but was misunderstood. The attempts at satire and iconoclasm missed their mark, even though the rival establishments and factions of the art world made wide enough a target.

The stainless-steel skips, full of old work and bits and pieces thrown in as rubbish seemed perhaps, in that context, arch and obvious; and the modern-art murals, inept pastiches of fashionable modernisms, were worse than ludicrous. The disenchantment that they disclosed and represented was real enough, and very serious, but through over-statement seemed only a pose. It was an important exhibition nevertheless, though distorted by controversy, showing the consistency of Paolozzi's vision, and the distinction of so much of his work. It was also the last of any significance until to-day.

The exhibition now at the *Marlborough is not especially ex*citing, nor surprising, but it is very good. The work is new and various: sculpture, relief, print-making and drawing. There is no message, no cri de coeur. Undemonstrative, authoritative and confident, all carries the mark of the same hand, a unified and coherent body. And this unity is retrospective, pulling together the apparently disparate ele*ments and activities of a long* career. We can see now how directly these reliefs relate to the graphic work of the sixties, the Moonstrips and other silk-screen series, and by extension further back to the early collages. And the free-standing sculpture too, so close in feeling to the work of a decade or more ago, is informed by the same sources and interests. The show has about it an air of resolution, things coming together, making sense.

The reliefs are particularly engaging, trays of densely packed elements, fraught with all manner of suggestion and direct reference, to boxes of type, perhaps, or blue-prints, engines, electronic circuits the insides of pianos, chinese puzzles. They are cast into bronze, silver or resin, or left in their native wood, beautifully pristine. Occasionally a signature obtrudes somewhat, which is a pity.

The decorative nature of these pieces is openly acknowledged, and indeed Paolozzi recently undertook a commission to make a ceiling, and a related tapestry, for Cleish Castle, a Scottish fortress, to excellent effect. The room's great height easily accommodates the apparent weight of the panels, which are in no way oppressive, and yet the detail is strong enough, and the imagery, to register. The photographs on *show give us some idea of the* work but not entirely.

The exhibition continues until March 6.

London Orchestras

BY GILLIAN WIDDICOMBE

Each year the annual report of the Royal Opera House comes to our attention amid financial despair; whereas that of the London Orchestral Concert Board provokes little stir. Yet whatever happens, both the Royal Opera and the English National Opera will soldier on; but there will always be somebody ready to ask whether London has too many independent symphony orchestras, and whether improvements could be made in the present structure.

Change is unlikely in the near future. Rather surprisingly, the last financial year proved that, *even in hard times, there is* enough work for all four—the London Philharmonic, Royal Philharmonic, London Symphony and New Philharmonia. Privately it is agreed that whichever *orchestra comes at the bottom* of the ladder it will have to tout hard for business—for example, week-end concerts at the Albert Hall, with only a morning run-through. Nonetheless, it is now ten years since the Arts Council and the GLC created the London Orchestral Concerts Board to channel their subsidies; and the system of equality has given all four orchestras remarkable security.

To scan the LOCB's last report requires a translator. (Figures for profit and loss are superficial in organisations which, if they are seen to make too much money, could be deprived of public subsidy.) *The interesting* figures are that, in 1974/75, private donors picked up a bill for nearly £48,000 to keep the New Philharmonia going. The NPO lost badly on their own pro*motions, and had a poor share* of engagements for recording sessions. Hardly any recording sessions for the RPO, either; but they did a lot of provincial and ad-hoc concerts. In fact, the RPO made the year's biggest profit (£22,345), which looks silly, but was necessary to clear previous deficits. The LPO changed little, their security enhanced by playing at Glyndebourne during the summer. The LSO continued to work hardest, with far more recording sessions than any other orchestra. Their Festival Hall programmes were the most adventurous, however; and they lost marginally, if honourably, on the year.

But the LSO's outstanding figure was a profit of more than £8,000 for overseas touring, without any subsidy whatsoever. Details are not given but it seems that *from* 18 concerts in the U.S., the LSO brought home a lot of pocket money. (Likewise the Royal Ballet, by the way.) Meanwhile the RPO's trips to Spain, Bulgaria, and *Czechoslovakia cost the British* Council more than £27,000. Were they worthwhile? Back in London, the LPO kept their lead at the box office, closely followed by the RPO: the LSO dropped sharply to only a short lead over the NPO. However, these figures are also superficial, as much depends on the occurrence of popular symphonies and the *1812 Overture*.

As usual, the more critical questions which are, or have been, under discussion are not mentioned. The LOCB report makes only a vague reference to the NPO's management problem, which rent the profession last year when the NPO chose an agent as general manager, and after much embarrassment and evasion, the LOCB said "Not permissible." The result was a nearly disastrous period of indecision for the NPO. We are still wondering what right the LOCB have to intervene in managerial decisions; after all, they do provide specific sums towards costs of administration. But they have not, publicly, intervened in the recent crises at the LSO, where managers are evidently treated like skittles.

Among forthcoming questions is that of provincial touring. A few years ago there was a feeling that to traipse across England to (say) Swansea was a ghastly bore, and hardly worth the relatively poor money. Admittedly, *the RPO have continued to play* regularly in places like Felixstowe—their residents no doubt deeply grateful. Now, suddenly, everyone wants to do high-class provincial tours, such as that undertaken by the LPO last year. They played in five cities, with sponsorship from the Commercial Union to the tune of £8,500, while British Rail added discreet assistance with fares and hotels.

This differed from previous *touring in that the conductor was* Haitink, and large-scale symphonies (Shostakovich and Bruckner) were played, after adequate rehearsal; also that it was irrelevant whether or not the chosen cities had their own orchestras. Huge success, apparently; partly due to novelty, maybe; and also, I imagine, due to the sheer quality of the performances. The LPO certainly wants to do more of these tours, in which case they will have to come to terms with the very high premiums demanded for travelling by the Musicians' Union. It is also suggested that the Arts Council should contribute, since this kind of work falls in the land of no-man's-responsibility, backed neither by the regional arts associations nor the LOCB. However, given the dire straits of the provincial orchestras, whose pockets are not padded by the commercial work available in London, such spending would be a luxury, its justification solely that of quality.

Meanwhile, the impoverished BBC must be wondering how it can lose an orchestra or two without being toppled by the Musicians' Union. During the *past year the BBC has embarked* on a policy of more relays from, say, the Festival Hall, to fill up Radio 3. As I write, the ubiquitous Barenboim again fills the air with his second evening of Beethoven concerti at the Albert Hall; and last week both his Brahms were broadcast from the Festival Hall. Seven concerti, by one soloist, in less than a week, broadcast live: unthinkable a couple of years ago. However, the logical development of this policy (and one with which listeners all over the country would surely agree) is that the BBC should gradually disband its own orchestras, and *contribute more to the cost of* distinguished events which it can then broadcast.

Theatres this week

PALLADIUM—Shirley MacLaine. No dissenting voice anywhere about the supreme quality of this lady's entertainment. Opened Monday.

ROUND HOUSE—*Man is Man*. Simple but lively production of Brecht's didactic comedy (Studio theatre downstairs). Opened Monday.

FORTUNE—*The Lady or the Tiger*. Overextended fairy tale with pleasant songs. Opened Tuesday.

MAY FAIR—*Beetles and Buckman*. The two medical comics *in a full-length revue contain*ing some familiar material and a good deal of new. Opened Tuesday.

SOHO POLY—*The Soul of the White Ant*. Interesting lunch*time one-act investigation into* the legend of South African poet and naturalist Eugène Marais. Opened Tuesday.

PLAYHOUSE, Oxford — *Faust. Part One*. Goethe's, not Gounod's. An ambitious student production that deserves to be seen by any serious student of drama. Opened Tuesday, closes tonight.

ROUND HOUSE—*Hamlet*. The studio-theatre production done by the late Buzz Goodbody last year for the RSC. Exciting, trenchant, but with rough edges (Studio theatre downstairs). Opened Wednesday.

THEATRE ROYAL, Stratford, E.15 — *Judge Jeffreys*. Too facetious piece about the Bloody Assize. Opened Wednesday.

ROYAL COURT—*Treats*. Amusing but very lightweight comedy by Christopher Hampton with sparkling playing by the three-strong cast. Opened Thursday.

Bridge

The fascination of a ruffing squeeze

BY E. P. C. COTTER

MY HAND today, which occurred in a rubber, has interesting points of bidding, defence, and dummy play, so let us study it in detail:

N
♠ A Q 10
♥ K 7 4 2
♦ 7 2
♣ A Q 8 5

W
♠ 8 5
♥ 5
♦ Q J 10 9 8 6 3
♣ K 9 4

E
♠ K J 7 6 4
♥ 10 6
♦ A K
♣ J 10 7 2

S
♠ 9 3 2
♥ A Q J 9 8 3
♦ 5 4
♣ 6 3

With North-South vulnerable, West dealt and bid a pre-emptive three diamonds, which North countered with a double — *an optional double*, but primarily, of course, for a take-out. East said four diamonds, which was a very feeble effort. He should have added to the barrage by jumping to five diamonds. *An 11-trick contract* cannot be made, but such action on East's part might well have stung South into bidding five hearts, which has no chance of success, and the pre-emptive bid would once more have been justified by its needling effect upon the opponents. But South was allowed to buy the contract with four hearts.

West took a *wise decision* when he led, not a diamond, but the eight of spades. A diamond lead results in a simple elimination and throw-in. South takes the club finesse, ruffs two low clubs, and with trumps drawn and the minor suits eliminated, leads a spade, finessing the ten, and leaves East with no good return.

As it was, the declarer finessed dummy's spade ten at trick one, East won with the Knave, cashed his two top diamonds, and led back the six of trumps. South won, drew a second round of trumps, successfully finessed the Queen of clubs, but eventually went down when he finessed dummy's spade Queen.

South cried out against Fortune and said that the contract was unmakable, and his partner agreed with him. But what is our verdict? The contract can, in fact, be made — the declarer had failed to recognise that rare visitor, the Ruffing Squeeze. Let us replay the hand together.

After drawing the second round of trumps, we finesse the Queen of clubs at trick six, and run off two more trumps, to leave this position:

N
♠ A Q
♥ —
♦ —
♣ A 8 5

W
♠ 5
♥ —
♦ Q J
♣ K 9

E
♠ K 7
♥ —
♦ —
♣ J 10 7

S
♠ 9 3
♥ 9 8
♦ —
♣ 6

Another trump, on which the spade Queen is thrown from the table, turns the screw on East, and forces him to part with a spade or a club. If he throws a spade, dummy's Ace is cashed, followed by the Ace of clubs, a club is ruffed, and the nine of spades provides the tenth trick. If East lets go a club, the club Ace is cashed, the 5 is ruffed, and the Ace of spades gives access to the established eight. The ruffing squeeze has a fascination all its own.

In my column of January 24 there was a misprint — the first in almost ten years. In Howard Schenken's second hand the ten of spades appeared in the South hand and the four in the West hand, instead of the other way round. This invalidated the suggested defence, as several readers pointed out.

In this connection may I ask readers who want a reply to their queries to be good enough to enclose a stamped addressed envelope.

Motoring

Rekord's worker

IN THE GRUBBY hinterland of Kings Cross Station there is a 24-hour, pre-payment pump that swallows handfuls of 10p pieces and dispenses 1¾ gallons for every pound's worth. Pull up in a car, reach for the delivery hose, and you are likely to hear a shout: "Not there, guv, it's diesel." Which was exactly what I wanted earlier this week. *Under the bonnet of the metallic* gold Open Rekord I was testing was a 2.1-litre diesel engine.

The Rekord 2100D looks like any other Rekord except for the hump in the bonnet, necessary because the diesel is taller than the petrol engine. For the past three years it has proved popular with long-distance drivers and taxi operators in mainland European markets. In Britain, it is still a novelty. Opel, however, is planning to increase Rekord sales from under 1,000 in 1975 to 1,400 this year, and thinks many of the extra cars sold will be diesels.

At a time when even cut-price petrol, at any rate in the south-east, costs around 70p a gallon, the attraction of a car running on DERV fuel at 57p (also cut price—the pump is mainly used by taxi drivers) is obvious. But the diesel is also inherently more economical than a petrol engine, giving at least 30 per cent. more miles per gallon.

In stop-start driving, the saving is greater still. The diesel is at its economical best in these conditions and may show a 50 per cent. improvement.

During my test, the Rekord 2100D, *a hefty*, four-door, five-seat saloon with a generous boot, returned just over 32 mpg. That was for a mixture of town driving, including many short trips, and motorway driving. A petrol engined car of a similar size would have done well to achieve 22-23 mpg.

A lot of potential performance has to be sacrified to obtain this kind of fuel economy. The Rekord 2100D takes 23 seconds to reach 60 mph from a standing start, which is marginally longer than a Ford Popular. Its top speed is only 84 mph but may also be used as its cruising speed. But any disadvantages due to its *lack of performance* are more apparent than real.

If you are the kind of driver who has to be first away from the traffic lights, the Opel 2100D (or, come to that, any diesel car) is not for you. But if you consider speed limits are to be bent rather than broken, and are prepared to anticipate road conditions instead of demanding sudden bursts of acceleration to get you out of trouble, then the Rekord is an unusually attractive car. I like diesels: they induce a relaxed, uncompetitive driving style, which makes for safer, and not all that much slower, journeys.

The engine clatters noisily for a few seconds after cold starting and growls rather than purrs when warmed up. At 70 mph on the motorway, however, it sounds much the same as any other four-cylinder engine. It is governed not to exceed 4,000 rpm, so speeds in the gears are limited to 25 mph in first, 37 mph in second and a useful 63 mph in third. It is so flexible over a wide speed range *that the pleasant four*-speed gearbox has to be little used except in traffic.

Automatic transmission is available. I drove a two-pedal Rekord 2100D last year and, in some ways, found it even nicer than the manual gearbox car. There is a split-second time lag between pressing the accelerator and the engine responding. Careless gear changing which allows the diesel's speed to drop causes a jerk in the transmission. The automatic (an extra £242) cushions this roughness at the expense of marginal loss of performance and fuel economy.

Despite the extra weight of the diesel engine and its oversized starter battery, the 2100D handles like the petrol-engined Rekord. The precise power assisted steering (another £224 *extra) compensates for the nose*-heaviness.

The coil-sprung suspension, independent only at the front, gives a buoyant, shock-absorbing ride, and the Rekord rides well, especially with a *full* load of passengers and luggage. That is to be expected of a car widely used as a taxi. But there is nothing taxi-like about the interior of the De Luxe version sold here. The cloth seats, the carpets and wood veener are up to executive two-litre standards and the lack of road induced noise is almost in the Peugeot 504 class.

Instruments are easy to read, the controls excellent—especially those for the heating and ventilation, which I often *find more difficult to drive than* the car. One key works the starter, boot and door locks. The wipers, with their non-reflecting black arms and blades, are set for right-hand drive. Other importers please copy.

The Rekord 2100D costs £3,368. Servicing, required at six monthly or 6,000-mile intervals, is available at any of Opel's 180 dealers. The cost is about the same as that of a petrol-engined car. A £3 fuel filter is needed every 12,000 miles, but there are no plugs or *points to replace*.

Not everyone's car, perhaps, but ideal for the 30,000 miles a year man: especially if he happens to own a fleet of trucks and has a bulk DERV tank in the yard.

STUART MARSHALL

Golf

Making the magician

FARO, Portugal, Feb. 6.

EVEN THOSE only remotely interested in the future of professional golf in Britain, Ireland and Europe must be wondering at this stage of the season if any young white hope—or preferably several—will emerge from the slough of mediocrity to justify the immensely loyal outlay of nearly £1m. by commercial and other tournament sponsors which will make 1976 the richest year in European golfing history. The tragedy of our professional golf tour is that we grab at our handful of heroes with massive hysteria, overwhelming them with a mixture of adulation and admiration that quickly becomes withering scorn if they dare to fail to live up to our expectations. The pressure, as Tony Jacklin and Peter Oosterhuis have both discovered, can be stifling.

What I am *really doing now* is typically British. I am virtually trying to make excuses in advance for the youngster I believe has the chance to be the next home-bred hero, 22-year-old Carl Mason from the Goring and Streatley golf club, near Reading, where his father Roy—no mean player himself and a wonderful teacher, guide and *mentor* to his son—is the professional. I have sung Mason junior's praises with muted voice in the past because I have seen so little of his play. But what is more significant, I have always been encouraged, mostly by the game's amateur potentates, to discourage individual precocious youth.

The theory held by both my own and older generations that modesty, even if it should be false, is a greater virtue than a belief in oneself, is supposed to make the golf writing fra*ternity damn brilliant youth* with faint praise. But this is a ridiculous attitude, one which has bred generations of gracious losers. This is possibly why so many of our more talented young golf professionals think and act negatively, forever choking down to a long iron when their American counterparts would let fly with the driver.

To his great credit Mason, alongside whom I have played for six successive days this week in practise for and while participating in the TAP Portuguese Airways pro-am, has used the driver off every tee at every par four and par five hole on this wonderful Quinta do Lago *course. Last year at the same* time, Mason admits, he would have been fiddling the ball pawkily around such a big, demanding and tight-driving course. But although Mason is long on golfing pedigree—both he and his father played for England as boys, and Carl also for his country and Great Britain and Ireland as a youth and for England as a senior international—the youngster is short on experience.

A sudden decision, forced *upon him by the cancellation* of some other foreign golfing sorties, to tour South Africa before Christmas was crucial to Mason's development. Amongst others he played alongside Gary Player, Bobby Cole, Dale Hayes, Hugh Baiocchi, Andries Oosthuizen and Vinny Baker, experienced professionals all, who stepped on to every tee and smashed the ball with their drivers with abandon.

CARL MASON

Mason was therefore influenced to adopt a new, positive approach which earned him 12th, 9th and 10th places in the three major events in which he competed in South Africa, and really feels he is beginning to reap the reward positive thinking earns on such a course as this, where in my opinion he is beginning to look like a potential world beater, and I do not use the expression lightly.

Mason, who is tall and lithe but no longer frail, makes such a marvellous shoulder turn with stationary, firmly anchored hips, legs and feet that he can generate immense power while playing well within himself. He has a *magical short game* and I feel delighted to have been playing alongside a youngster of true world class potential on a course that must rate high among the top six in Europe.

The great virtue about golfing in the Algarve at present—although the Portuguese would hardly agree—is that since the revolution the courses here have been well nigh deserted. Quinta do Lago, being the last to open before the troubles, is perhaps least well known at present, but *easily the best in terms both of* golf design and—remarkably in view of its adoption by a workers' committee not exactly conversant with advanced green keeping techniques—in condition.

Thankfully, those currently guiding Portugal's destiny readily recognise the importance of golfing tourism and are lend*ing their wholehearted support* to the rescue operation. Hopefully it will not be too long before the Algarve is once again as popular with visiting foreign golfers as it used to be. Despite the troubles, the Casa Velha restaurant at Quinta do Lago has retained a quickly established five star tradition against all the odds, and the apartments in which the majority of our golfing party are billeted are the ultimate in luxury.

The golf course—with nine more holes almost ready for play—was designed by the late William F. Mitchell from North Palm Beach, Florida, shortly before his death and has thankfully been scheduled to stage the Portuguese Open this April. Its major virtues, apart from the scenery, are that no two holes remotely resemble one another, and almost every one is completely invisible from its nearest neighbour through the sweetly scented but impenetrable umbrella pines.

The four par fives are really outstanding in that they are genuine three-shot holes except to the very few who can produce in quick succession a career drive followed by a fairway wood shot of blistering violence. If the course has a *shortcoming, the four par* threes are a little ordinary, and one would like to see water hazards used in this area to enliven them a little. But they are nonetheless very difficult in terms of judgment and distance.

Finally, the only sign of the troubles visible here besides the lack of tourists is the red-painted slogans on so many walls, and the presence of Angolan refugees working as caddies. The local youths used to be trained in the latter capacity in return for golfing privileges, but since the revolution they feel free to pick and choose other employment. Most of them now, unfortunately, *prefer to paint walls*.

BEN WRIGHT

Chess

Playing for the public

BY LEONARD BARDEN

"YOU CAN see from the pleasure on the spectators' faces that this is more interesting for them than normal tournament chess at slow time limits. Even in Moscow the public rarely comes to watch now unless a world title is at stake, while they queue up in hundreds to see quick games."

It was David Bronstein talking again, after two tournaments in London played at the much faster pace which he advocates for modern chess and where Bronstein himself had contributed some sparkling tactical play.

Bronstein's recommended time limit is 15 minutes per player per game: as he explained "at this speed the action is generally as fast as table tennis. But, unlike five-minute chess, the player has some time in hand for emergencies or in case there is a prolonged endgame fight." It is a time limit for masters and strong players: club players would make too many blunders but "as you become better your reactions also become quicker."

The London organisers were not completely convinced by the grandmaster's arguments, so the two tournaments took place at differing time limits. In the first event, Bronstein and Taimanov competed in a nine-round all-play-all held in a single evening at the Central YMCA chess club.

The second event was a match tournament held at Batsford Books between the three USSR grandmasters Bronstein, Korchnoi and Taimanov and a Young England team of Stean and the world under-18 champions Mestel and Goodman. The match was supported by the Slater Foundation and by the British Chess Magazine

This time the limit was 25 minutes per player per game and, while Bronstein thought it too slow ("You start to ponder and calculate as in an international tournament, and then you find yourself in clock trouble") it proved just right for a good English result.

Both Stean and Goodman defeated Taimanov in excellent style while Stean also won against Bronstein for a final score of England 5½, USSR 12½.

White: D. Bronstein (USSR). Black: D. S. C. Goodman (England). Opening: Pirc Defence (London Centymca 1976).

The opening moves were 1 P-K4, P-Q3; 2 P-Q4, P-KN3; 3 N-QB3, B-N2; 4 P-B4, N-KB3; 5 P-K5, KN-Q2; 6 N-B3, O-O; 7 P-KR4, P-QB4; 8 P-R5, BPxP; 9 QxP, PxKP; 10 Q-B2.

David Goodman was a babe in arms when Bronstein introduced this tricky move against Palmiotto at the 1958 Munich Olympics.

10 . . . P-K5. Palmiotto played 10 . . . PxBP? which opens up the game for White's pieces.

11 N-KN5, N-KB3; 12 PxP, RPxP; 13 B-Q2!

A new idea. Botterill and Keene's book The Pirc Defence only gives 13 Q-R4, Q-Q5 or 13 B-B4, B-N5—which latter move is still best for Black.

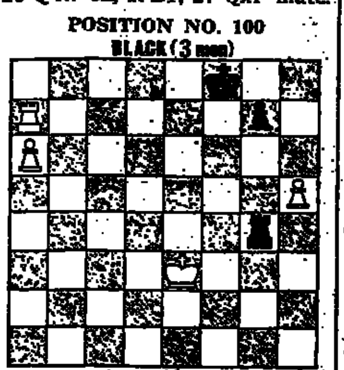
13 . . . N-B3; 14 0-0-0, B-B4; 15 B-K2, Q-Q5; 16 B-K3, Q-N5; 17 R-R4, KR-Q1; 18 QR-R1, N-Q5; 19 B-Q1, QR-B1; 20 P-R3, Q-Q3; 21 P-KN4, RxN! 22 BxN, P-K6?

Attack and counter-attack have developed logically, but here Black is tempted to over-reach. Instead 22 . . . RxRP! probably forces a draw by 23 R-R8 ch, BxR; 24 RxB ch, K-N2! (not KxR; 25 NxBP ch); 25 R-R7 ch.

23 Q-R2! Black missed this, and now he is lost. 23 . . . N-R4; 24 RxN, QxB; 25 R-R8 ch! BxR; 26 Q-R7 ch, K-B1; 27 QxP mate.

POSITION NO. 100

BLACK (3 men)

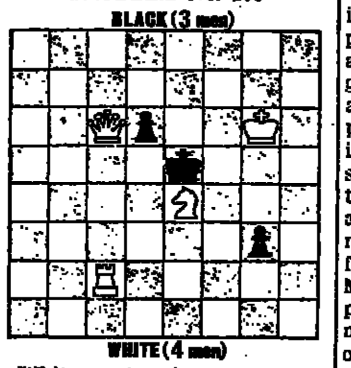


WHITE (4 men)

Polugaevsky v. Parma, USSR v. Yugoslavia 1965. Parma (Black, to move) resigned this position, calculating that after the obvious try 1...R-QR5 White could force a win by a standard piece of endgame tactics. So this week's puzzle is twofold: (a) What was the winning plan which Parma feared, (b) How (if at all) could he have countered it?

PROBLEM No. 100

BLACK (3 men)



WHITE (4 men)

White mates in two moves, against any defence (by G. Latzel, 1956). A trappy puzzle for solvers, with several near misses.

Solutions Page 4

Property and housing

The agency jungle

BY JOE RENNISON

NOTHING arouses the passions of the property owning democracy more than the mention of the activities of estate agents. They are a kind of universal aunt Sally there to be knocked down by anyone who cares to take the trouble. The agents have not so much brought this upon themselves—except in the cases of well publicised malpractice—but are rather the victims of their own basic function. No one likes to see what he regards as his just profit on the sale of a house diminished by some second party taking a portion of it for negotiating the sale. It does not matter that the owner has done nothing to "earn" this profit—it is his and he is determined to stick by as much as he can.

That is the way things happen in the property market. It is such an intensely personal negotiation that logic tends to fly out of the window. Not that some of the agents do not deserve some of the brickbats they receive. There are agents and agents: some are so incredibly incompetent and/or lazy that the customer may well wonder why he is paying this large amount of commission for a job which, it would seem, he could well have done better himself.

I think it is time that the public made up its mind whether to pay this middle man with the same grace as they pay all the other middle men they come across—perhaps unwittingly—in many other sectors of day-to-day existence.

Considering the number of complaints from readers about estate agents it makes me wonder how any of them ever stay in business. Yet they continue to be used. It must be that they serve some useful kind of function: is it that they save the customer time and therefore money? It is interesting to note that the older people get the more they are inclined to use an estate agent. Is that because their time is more valuable and therefore the services of the agent are more useful? Whatever the reason it would seem that a good agent can perform a useful function if briefed properly and kept up to scratch. The answer to the problem of service for money lies in the hands of the public; if there are agents in a particular locality who are seen to give very little for the money they charge then the word should be sent around and the particular agent blackballed if that is possible. The public knows—or should know—what the services of an agent cost. So it is time to do one of three things: sell the house without an agent, get the best agent possible or stop complaining.

Four weeks ago when writing about possible ways of reducing the cost of buying and selling a house I discussed the merits or otherwise of sole agency and the idea of non-returnable deposits and asked for comments about the agency system in general.

There was certainly plenty of comment, some of it unprintable. The most antagonistic attitude is probably best summed up in the letter from a reader in Sussex. He wrote: "I consider that estate agents are on to one of the easiest ways of making money and that by asking for higher commission and deposits they will eventually kill the goose that lays the golden egg . . . they are receiving inflated rates of interest owing to the price explosion of property . . . if it were not so much money for old rope there would not be so many agents about as there are now. How many agents now have only one office? They have all expanded like bombs during the last few years."

The image

Again it must be said that this image of the estate agent—on some of the points justified—can only be rectified by both sides of the market. The public must demand the service it thinks necessary and the agents must do all they can to improve their image and get rid of the sharks. It is unlikely that the service will be improved by Government action—at least on the lines now contemplated by the Department of Prices and Consumer Protection which would mean the licensing of agents without any control over their professional ability. This, however, will be the subject of a later article when all the evidence the Department has called for has been collected.

Most of the reaction from the agents themselves came over the subject of non-returnable deposits. There are clearly two schools of thought on this subject. Many agents are in favour of deposits and for a number of reasons. For the most part they consider it is a safer bet that the whole deal will be conducted through the agent holding the deposit and the customer will not be tempted to shop around.

The pro attitude was summed up, if somewhat cynically, by the agent who said: "If you charge them something they love you, if you don't they stay away in case you eventually send them a bill."

Those who are against it admit that the deposit is in the interests of the agent as is the system of sole agency. But it is asked is this in the interests of the client? The vendor's choice is restricted under sole agency agreement particularly where he has made "a bum choice" in the first place and may be tied up for three months or so under the same agent. There is a general agreement that the hawking around of properties is a bad system but no agreement about how it can be changed since the wider choice must ultimately be left with the customer. Legally there is no way at the moment in which he can be prevented from asking several agents to sell the same property.

The antis condemned the use of a non-returnable deposit for the reason that it could be only too handy to the lazy agent. He would have less incentive to change his methods because overheads are being partly paid for by this deposit and he can sit back and not bother to do any active selling for his client. The answer would seem to be that the deposit system should be rejected and that the public should rely on more competition, not less, to bring down the cost of buying and selling. Greater risk it would seem would bring about greater efficiency. There are too many agents who will simply put up the price at all times to meet the increased competition and increased costs. Those who really want to try could scoop the board if their form was seen to be better than the man further up the High Street.

Commission

The agents have some complaints to make about the attitude of the public and some of them are justified. There is a great reluctance to pay the agent's commission once the whole deal is completed and the vendor can see the size of the bill. But surely he should have realised what this amount would be before he started. It seems the reason for the reluctance is that the bill usually arrives a long time after the process was originally begun. If it all happened in a week or so opinion is that there would be very little trouble. There is also great feeling against clients being able to cancel the process halfway through without being subject to any penalty. It was pointed out should the agent advise continuing the process could very well be a p

It is generally agreed, however, that the system of agency throughout the business would be cons more healthy and cheap all concerned. Having agents dealing with the property at the same time achieves the unpleasant of pushing up costs all In the latest edition of *Valuer*, the journal of the corporated Society of and Auctioneers, figures given to show the diff throughout the country tween the cost of through sole and agency. There seems to be difference in the Midlands North-East of England the Greater London Area other places however differences of between £100, the cheaper always the sole agency.

The reason for the differential in the North there the practice of listing is frowned upon have a much more down-to attitude than the softies South-East. The ISVA is looking for comments on attitude for the benefit of own research.

Getting away from it all on Anglesey. Plas Ty Fry is a large mansion built in the reign of Charles II near Pentraeth. Although listed as of historical and architectural interest (grade 2), it has recently been modernised and refurbished. The house is set in about 10 acres including a walled garden, paddocks and woodland. There are also several outbuildings and garages and at least one building which could be converted for residential accommodation. There are seven bedrooms apart from the usual reception rooms. It would not be ideal as a holiday home since the cost of the upkeep would be substantial. But at £40,000 it seems a snip for someone wanting to live permanently in that part of the world. Agents: John D. Wood.

Slow burner

The latest survey on the state of the housing market by the ISVA would indicate that there has been comparatively little price movement recently. The survey covers the quarter ending December 31 last and is compiled from returns from agents all over the country. It suggests that price rises, at an average of 1.4 per cent. for the period, are more modest than indicated by recent building society reports. It confirms that the "bottoming out" of prices at the top of the market is a myth and that prices are still falling, albeit by small amounts. Most agents said, however, that prices were beginning to rise more quickly towards the end of the period.

There were around 5 per cent. fewer houses on the market than in the middle of last year. The ISVA thinks that this confirms suggestions that many people have taken their houses off the market "to await a change in the financial climate."

One of the main conclusions of the survey is that more and more people are reluctant to take on a property needing extensive repairs or modernisation, even when such houses can be bought at bargain prices. The continuing rises in labour and materials costs have made most people realise that they could be pouring money into a bottomless pit. Conversly those properties which have been modernised could sell at a premium in a more buoyant market.

In common with other predictions from the property world the survey concludes that new house prices must rise in the coming months and warns that first time buyers may, therefore, have to lower their sights over choice of property.

Gardening

The Whirleybirds

IT HAS always seemed slightly odd to me that nasturtiums, among the first flowers to be damaged by frost in the autumn, should be classified in seed catalogues as half hardy annuals. But if one accepts that this description should be applied to any plant that can be sown where it is to flower the nasturtium undoubtedly qualifies. For it grows so fast that there is no need to sow it until the end of April or even early in May, and the seeds are so big that they can be dropped individually into little holes fully an inch deep, which means that they have ample protection from cold until such time as they actually appear above ground.

Last year some of them did that and immediately had to face those awful cold nights of late May. Miraculously ours survived and went on to give as good a display as I have seen in many years, partly because it was a summer that suited nasturtiums, but probably even more because we were growing the new variety Red Roulette.

When I first saw this a couple of years ago I was not sure that I liked the lack of the distinctive nectar bearing spurs that as children we used to pick and suck to get the sweetness out of them. But in fact in the garden one does not notice this since the flowers look straight up at one, concealing their lack of "tails" and it does seem to give them longer life. Also they are very big and carried on top of the leaves so that their vivid nasturtium red colour (there is nothing unusual about this) makes its full effect. I give it full marks as a showy carpeting plant for any warm and sunny spell.

If you want other colours than nasturtium red try the Whirleybird range, Whirleybird Cherry Rose, Whirleybird Gold, Whirleybird Scarlet and Whirleybird Orange, if it is to be found anywhere. I saw it in a trial last summer and immediately fell for its colour, more apricot than orange, but so far I have been unable to trace it in any seed list. But many seedsmen have Alaska, the dwarf nasturtium with cream variegated leaves and orange or red flowers.

Somewhat perversely seed catalogues usually classify rudbeckias as half hardy annuals, yet given a reasonably well drained soil and a bit of luck they will pull through at least one winter, possibly two, proving that they are neither half hardy nor annual. This is because they are just the reverse of nasturtium, namely that they are slow in coming into flower. So to get the fullest benefit from them they need to be sown early, certainly not later than the first fortnight in April, and in many places that means sowing under glass to be sure of quick and reliable germination.

But they will also give a good account of themselves sown outdoors in late April or early May. Once growing they are really quite tough plants not so very different from the hardy herbaceous rudbeckias such as Goldsturm and Deamii. There are some very showy varieties among them, my own favourite being golden yellow, black-eyed Marmalade, though some will prefer the greater variety of Rustic Dwarfs which give various combinations of yellow and bronze red.

A distinct break in flower form, Nasturtium Hurst Red Roulette has large, scented, semi-double 3 inch flowers, which are entirely spurless and up-facing so that their shape and colour is fully revealed above the foliage. RHS Award of Merit.

Annual asters have a similar ability to be sown early under cover to start flowering about mid-summer or outdoors in late April early May to flower from August onwards. They too are relatively hardy annuals though classified as half hardy because of the advantages of that early start. But there are also special merits in sowing outdoors, most notably that the seedlings are very unlikely to be attacked by damping-off disease, which can be a menace under glass. There has been a bewildering proliferation of new varieties in recent years, some of them breaking quite new ground in habit and flower form. I particularly like some of the very dwarf, compact, small-flowered varieties such as Pepite Mixed, available in shades of blue, purple and red.

The annual lavatera is one of the easiest of plants to grow, and in its best forms can be enchanting, but less desirable forms can produce awkward shades of magenta. Until recently the most reliable variety was Loveliness, but this has now been surpassed by a newcomer Tanagra, which is a little shorter and more compact in habit, and has the largest and clearest pink flowers I have seen in any lavatera.

Among my own favourite annuals are the short ground-covering "morning glories," all varieties of Convolvulus minor. For years Royal Ensign has seemed unbeatable in colour and habit, the trumpet flowers very freely produced and a gloriously deep shade of gentian blue with white centre. In colour it is unlikely to be surpassed but the new Blue Flash does offer a difference in habit, a much more compact, less sprawling plant. Which you prefer depends upon whether you want a plant to provide quick ground cover, in which case Royal Ensign is the one to choose, or to make a nest edging or pattern, for which Blue Flash would be better.

I have also been considerably impressed by some of the newer varieties of larkspur which are considerably shorter, and therefore more self-supporting, than the original type, without losing the flower's distinctive character. The best appears to be Dwarf Hyacinth Flowered which is from 12 to 18 inches high and is available in a mixture of all the larkspur colours. It also has the additional advantage of being quick to come into flower—just the thing to sow in spring to fill gaps in the border in which a spike flowered plant is desirable.

The chief advance in sweet peas in recenet years has been in the development of dwarf and semi-dwarf races. Not so many years ago there was nothing between the tall varieties and the foot high Cupid sweet peas, but now gardeners have the choice of a whole range of intermediate heights of which probably the best to date are the new Jet-Set varieties. These are about 3 feet high and have flowers that are virtually indistinguishable in size and quality from those of the best tall sweet peas. These fine new varieties have gained a lot of awards in trials, including a First Class Certificate from the R.H.S. for Westminster, which is crimson, and Madrid which is scarlet, and a bronze medal for Madrid in the All Britain Trials. A few other named varities are available but most seedsmen are offering a good mixture of colours which will probably suit most home gardeners well.

BY A. G. L. HELLYER

low to spend it — by Lucia van der Post

Kissing don't last, cookery do . . .

— so said Bernard Shaw on some long-forgotten occasion

I can't vouch for the kissing but certainly the n for cooking seems an abiding one in most of aders. From all your letters, from the response recent recipe leaflet and from the enthusiasm which Philippa Davenport's monthly recipes are d, it is quite clear to me that most of you are ind ardent cooks. So this week I thought it might nterest to run a small round-up of suggestions for of you who wish to brush up your knowledge of nd wine. Sons and daughters waiting to go to sity, mothers with time on their hands, retired city gentlemen (yes, I do know of one who's currently in the middle of a cookery course and a lot of fun he's deriving from it, too) or eager but inexperienced housewives, all could pass some happy and profitable times learning to become better cooks. It could be just for fun or it could even be the start of a profitable business later on. Whatever your reasons there should be some course here to suit everybody. BEATA LEVY, who lives in Paris, starts off with details of two enterprises based in Paris but run, surprisingly enough, by two people who are as English as could be.

evidence of the topsy-orld in which we live om Paris where French s now being taught by -born Anne Willan, and classes into French spensed by a young ex-patriate, Stephen

venture into gastronomy iore recent of the two. Varenne cooking school last month on the site mer café, just off the Air Terminal. Its os are two superbly kitchens where, for urs every morning, the is done by the students, pervision of the resident chef and his English).

fternoons are taken up o-hour demonstration by Iarolleau, the chef who ine enticed away from a otel kitchen. He teaches French cooking to an onal student body which includes a sprinkling of ladies.

h occasions, students are to eat La Varenne food s of a superb, 3-star in the afternoons. Anne to hand throughout the a translation and running commentary in English— makes La Varenne a school as well. French need only listen to the and the English to the

is so refreshing about ol is its emphasis on le home cooking for iere is a great demand. a growth industry in the where Anne Willan was itor and teacher, this uld now sweep Europe In Paris, there is a of interest in regional cooking, and the classic dishes are much preferred to the grandeur of fussy menus.

La Varenne is a friendly and efficient place but, alas, also expensive. Resident Parisians pay about £80 a week but you are welcome to attend a demonstration class at a minimal £4 charge when in Paris at a loose end one afternoon. You may just turn up at the door and buy a ticket. This is less than the price of a good meal in a restaurant, and of more lasting value in so far as it could establish your reputation as a wizard at salmon mousse for years to come.

For people in Britain who are passionately interested in cooking and have time and money to spare there is further good news ahead. Starting in the spring, the Serenissima Travel Agency at 5, Ellis Street, Sloane Street, London, S.W.1, will be offering all-in package tours. For a week's stay in Paris at the first-class Sofitel Hotel, a week's course at La Varenne's bilingual cooking school, the price will be £200 inclusive of the air fare. Alternatively, contact La Varenne's British agent: John Butler, Essex Lodge, Barnes, London, S.W.13. In Paris the school's address is: La Varenne: 34 Rue St. Dominique, Paris 7. Tel. 551 10 16.

Wine lore

To find an Englishman running an Academie du Vin in the heart of Paris, just by the Madeleine church, is another surprise. Don't be put off by its solemn name. It is, in fact, a hospitable wine bar, surrounded by an extensive reference library and maps of the wine growing areas and the emphasis is on tasting rather than drinking.

Stephen may pour you a glass of cool rosé from Provence, an aromatic white wine from Alsace, a sturdy red from the Rhone Valley, or whatever other bottles may be open. You will soon be in a mood to discuss their relative merits in a relaxed fashion; for Stephen is a fountain of knowledge and not in the least bit professorial.

He belongs to that race of wine fanatics who have been touring innumerable vineyards, ever since he came to live in France seven years ago. By now he knows most of the good growers personally, and is as discerning about their produce as an old and experienced vigneron.

Small groups of winelovers of all nationalities, including the French, foregather at the Academy every evening. The charge for six wine-tasting sessions is £48, or £8 for a single evening. Each session last two hours during which eight different wines are discussed—and drunk.

In the most agreeable of ways *you graduate from ignorant* enthusiasm to enlightened amateur status. You will learn to distinguish a sound wine from a bottle that contains an overdose of chemical additives; to recognise a wine that has lost its bouquet too suddenly after uncorking. You will no longer be taken in by a fancy label and will be making fewer mistakes when you lay down wine in your own cellar.

In the summer Stephen Spurrier also runs occasional day trips to growers in Burgundy, Sancerre, Champagne or elsewhere. Why not write in advance to enquire about the dates? It will teach you a lot about wine-growing and should make a pleasant outing to some charming rural corner of France.

Academie du Vin, Cité Berryer (25 Rue Royale), Paris 8. Tel. 265 92 40. B.L.

. . . more stops on the cooks' tour

want to combine your ucation with life in there are plenty of nearer home.

Miller Howe Hotel, iere, Cumbria is much and much written about most distinguished food besides being based in t of the most spectacular In the winter to spring hey offer courses based own highly original, dis- approach to English They have particularly ive ways with vegetables g purée of sprouts with s and lemon, purée of with ginger and pine lamb cutlets with nd ginger and so on. The not cheap, but then the owe is renowned for its s and you do, of course, typical Miller Howe menus included in the price. For a course from Sunday afternoon to Thursday afternoon the price is £80, excluding VAT. This spring's courses are already full so book now for the ones starting in October. Write to: Miller Howe Hotel, Windermere, Cumbria.


Miller Howe Hotel, Windermere, Cumbria.

In London, Elizabeth Pomeroy, of 51, Hornton Street, London, W.8, runs two courses and takes only ten students per course. The three-month certificate course takes place on Mondays, Wednesdays and Fridays and is aimed equally at the hostess who wishes to cook for her own pleasure and for those who want to cook on a freelance professional basis, like catering for villa parties, or city directors' lunches.

Each morning is spent in preparing and cooking a meal so that the student learns to synchronise the meat, vegetables and sauces. They are also taken shopping to learn how to judge ingredients in the raw, how to cost meals and plan menus. The students actually eat the lunch they prepare and spend the afternoons making hot and cold puddings, patisserie and so on.

The other course is a refresher course for advanced cooks and takes place on Tuesdays and Thursdays, mornings only. There is usually a very mixed bunch taking this course, including self-taught cooks with odd gaps in their knowledge as well as professional chefs wanting to enlarge their repertoire.

The comprehensive course is £149.50 for three months, the refresher course is £34.50 for 12 lessons, while a one-week intensive course is £23.

For those who want to take cooking seriously, that is those who want to take up catering or who want to run a restaurant or a hotel, Pru Leith's School of Food and Wine seems to offer a welcome bridge between the rather "hostessy" attitude of some of the older schools and the relentless dreariness of most of the government sponsored catering courses. The standard of food and cooking is clearly very high and she offers a wide variety of courses from a complete year's course at £1,000 to 10 evening classes in dinner party cooking. On top of all that there is also a wine certificate class. Write to Leith's School of Food and Wine, 36a Notting Hill Gate, London, W.11, for the full list of all the courses and the fees.

If you want a holiday as well as imbibing the secrets of a grand chef there is a wide choice of places in provincial France to consider.

The French Travel Service started one-week holidays in Dieppe which combined a stay in a choice of three good quality hotels with lessons from the chef and they were such a success that they have now been expanded to include a third course for more advanced cooks or for those who have already been on the very popular course 1 or 2. Unfortunately the price has now risen since I first wrote about it and it costs between £63 and £113 for six days. Obviously the price includes travel, hotel and the lessons and though it may seem high, your family and your friends should notice the benefits for many years to come. The cookery you learn is based on classic Normandy cooking and it all sounds delectable. Write to The French Travel Service, *Hudson's Place, Victoria Station*, London, SW1 VLJX for full details. Hurry though, because most of these courses operate in the low season—between October and April.

If you are taken with the idea of the new Cuisine Mineeur (cooking that is delicious without being fattening) Cox and Kings, who specialise in activity holidays, are running holidays based on cookery lessons in Le Touquet. Again, they only operate until April 6, which is the last departure date for this spring, but the six-day course includes "the secrets of the Cuisine Bourgeoise" and a session on the low-calorie Cuisine Minceur developed by Michel Guerand. Based on the Hotel Westminster in Le Touquet the price is £113 for six days. Write to Cox and Kings, Vulcan House, 46, Marshall Street, London W1V 2PA, for details.

For those who are interested in the food of Brittany, Wessex Continental of Plymouth run two cooking courses to Brittany for the remarkably reasonable price of £45. The first degree course is held at the Hotel Europe in Morlaix, the second degree course for more advanced cooks (dealing with lobster, souffle Grand Marnier among other dishes) is held at Manoir de Kerlivion, in the village of Locquenole. There are departures every Monday morning from Plymouth and you arrive back in Plymouth at 11 p.m. on Thursdays. Write to Wessex Continental, Millbay Docks, Plymouth, for further details. Again, you must go before Easter.

Calling all designers

One of our newest, youngest and most enterprising new toy and games companies, Seven Towns, is sponsoring an annual competition to encourage exciting and worthwhile new British toys. As they point out many of the toys bought by parents in this country are invented and developed in the U.S. and the Far East which, given that Britain is renowned for the abundance of its inventive talent, seems sad indeed. They hope to help unearth and develop new ideas. They themselves have invented, developed and sold over 50 games in the last few years. Not only that but they have managed to sell 42 of these games to the U.S., Europe and Japan. They are, therefore, in a good position to help a good idea become a commercial proposition.

The competition is open to anybody, professionals, amateurs, adults, children—the only criterion is that the idea must be submitted by somebody living in this country. The toy itself may be as simple as a rattle, as complicated as a radio-controlled model plane. The three criteria the judges will bear in mind will be: originality, superior play value and practical common sense.

Four prizes will be awarded. The first will be for £250 and the remaining three for £30 each. The closing date for the competition is 20th April and detailed rules of the competition and entry forms can be obtained from: Seven Towns Ltd., 216, Kensington Park Road, London, W.11.

As I am to be one of the five judges (the other four are Kenneth Grange of Pentagram Design, Douglas Rae of Thames TV's Magpie, Alan Road of Young Observer and Thomas Kremer of Seven Towns) I shall be taking a keen interest in the progress of the competition and ask all readers either to submit ideas of their own, if they have them, or to encourage inventive friends and relations to enter. The bigger the entry, the more worthy the winner. For those who don't win there will be the possibility that any commercial proposition could be taken up by Seven Towns, thus earning the inventor royalties on every sale. So send off for some forms this week-end.

Elegance and old lace

Two designs by Clark Hanford are shown here. Left is his handmade blouse made from black crêpe-de-chine and cream lace. This particular blouse is the sample which customers may try on and from which orders are taken. Each one ordered is then made to measure. Orders take about ten days. The blouse sells for £20 in a choice of black, rust or coffee with either self-coloured or cream lace. Where the lace meets the crepe-de-chine, every flower has been individually cut-out to give the intricate appliqued effect. Every button (not visible as they are at the back) has been covered with matching fabric and all the loops are hand-made.

Above, is one of Clark Hanford's heavy satin-backed crêpe scarves, featuring one of his own screenprint designs. They can be made in any colour and there is a big choice of screenprints. This particular scarf is in apricot with the design printed in darker apricot. The scarves are all four feet long and this one costs £8. His shop is called Tarts 'n' Bows and is at 11Sa, Holland Park Avenue, London, W.11.

All made by hand

Everybody who has set eyes on this blouse has wanted to buy it —from the model who's wearing it to the entire How to Spend it Page staff. Furthermore, when told the price, the model couldn't believe it was only £20, she thought it was going to be at least £40.

The blouse is beautifully made by hand by a young American, now living over here, called Clark Hanford. He's always liked making clothes, and has been doing so ever since he can remember.

As an adult he learned to do things properly in various colleges, including our own Goldsmiths' College. He uses only very good materials, finishes everything by hand as he maintains that that is the only way to get buttons that really stay on, seams that lie flat, linings that don't slip and so on. The blouse is made in heavy *crêpe-de-chine* which has to be dry-cleaned. It may be in black or in rust, or coffee with lace dyed to match exactly or cream lace. The lace flowers have all to be cut out individually and then appliqued to give the right effect and a special feature of the blouse is the low shoulder which gives a particularly demure look.

I also liked the way it is gathered gently into the waist on to a nicely cut, slimming peplum which means it could look good worn either outside a skirt or tucked into it.

Apart from the blouse, Clark Hanford likes to make all sorts of clothes. He designs them all himself and has a sample of everything in the shop which the customer tries on. If she (or he, for he does men's clothes as well) likes it he then makes it to order and is usually quite happy to make any small alterations in the design (he doesn't like doing big changes to the design because he finds this usually upsets the balance). In effect, he is offering a couture service at amazingly realistic prices.

His clothes aren't classic in the sense that Burberry and Jaeger are classic—I would describe them as much more high fashion but they never seem to be gimmicky or over-trendy.

He loves doing wedding-dresses and has some particularly stunning ones at the moment —most of them based on beautiful cutting and with an air of much greater sophistication than the confections of tulle and *broderie Anglaise* which is all most big stores can offer. He is very good at devising dresses which can be worn after the big day and I particularly liked a very simple, high-collared pale grey chiffon dress. Wedding dresses start at £45.

He also sells men's clothes, hand screen-printed shirts, velvet suits, ordinary coats, trousers and jackets. He designs all his hand-screen prints himself and has some very beautiful scarves made of georgette or satin-backed crêpe. The georgette scarves are £5, fringed satin-backed crêpe ones are £8. All are 4 feet long.

However, Clark Hanford's activities don't stop there. He just likes making things so if you go along to his shop you will find enormous Marlene Dietrich dolls as well as some very stunning appliquéd "jungle" curtains which he makes to order. These cost about £45 per panel, 40 inches wide, 6 feet long.

He also has a very beautiful car, a white pre-war 1930s-style Rover, which he hires out for weddings. He prefers to keep it fairly local and he charges £15—anybody out of London would have to be charged more. However, for your £15 you also get the services of Clark Hanford himself dressed up as a 1930s-style chauffeur.

The shop is called Tarts 'n' Bows (you can see why I've left the name to the last) and is at 118a Holland Park Avenue, London, W.11.

It's open Monday to Saturday 10-6.00.

Photograph: Freddie Mansfield

Christie's

Fine Art Auctioneers Since 1766

EXPERIENCE AND EXPERTISE 248

This watch reflects the political and religious struggles of the early Stuart period at a time when the Puritan reaction to courtly life was gathering force and theatrical performances by such as Shakespeare's company had been banned within London's city limits. The watch case is typically restrained, in reaction to the highly decorative French and English watches then in vogue. The religious connotations are underlined by the engraved Nativity scene in the centre of the dial. The maker, James Vautrollier, is recorded as working by 1622 and was Free of the Clockmakers' Company in 1632. He was one of the first Assistants of this newly formed Livery Company.

The absence of a balance spring, and the use of a single hour hand are indications of the early stage in the development of timepieces at this period, when watches could not be expected to keep accurate time.

Silver and brass-cased oval Puritan verge watch, signed James Vautrollier, c. 1630, 5.8 cm. long. To be sold on Wednesday, February 11th in a sale of Fine Carriage Clocks and Watches.

8 KING STREET, ST. JAMES'S, LONDON SW1Y 6QT.

Tel: (01) 839 9060. Telex: 916429

Telegrams: Christiart, London, SW1

Collecting wisely

Sound unfamiliar

BY JANET MARSH

ALTHOUGH THE London auction rooms have been selling musical instruments for something like a couple of centuries, the last year or so has seen a significant broadening of the range of instruments that come on the market. One reason is the growing interest in performing music on contemporary instruments, and the discovery that original instruments (at least from the Baroque era and after) are in many cases cheaper to buy than meticulous reproductions.

Sotheby's, which has a sale of fine instruments next Thursday, can probably claim an edge over the other salerooms in the developing field of early woodwind instruments. One of Sotheby's assets is that its expert, Mr. Graham Wells, is a specialist in woodwind, and plays the instruments as well as selling them.

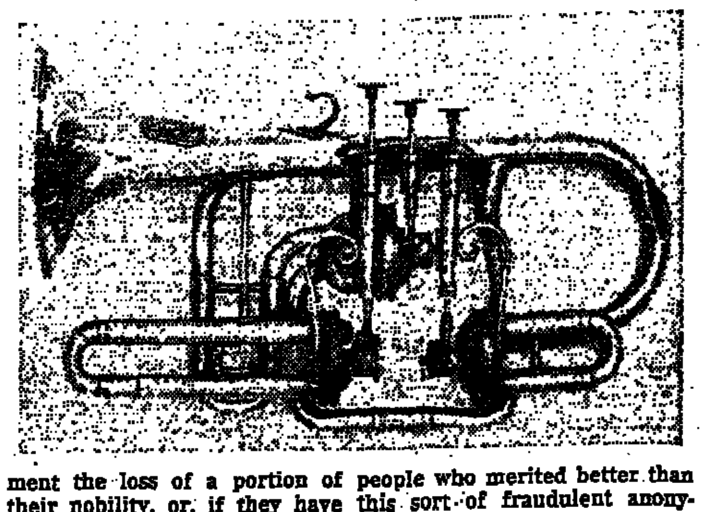
Perhaps the most notable lots in Thursday's sale are a couple of fine treble recorders, one by Thomas Stanesby dating from the second quarter of the 18th century, the other, from the late 17th century, by Joseph Bradbury who probably worked at Stapleford St. Mary near Hertford.

The recorder or fipple-flute (the fipple is the plug which contracts the aperture of the mouthpiece on a wind instrument) can boast a great antiquity. It achieved enormous popularity in Tudor times (that celebrated musical amateur Henry VIII possessed no less than 76 recorders); and as the "common flute" played an important part in the Baroque repertory. Handel, Bach and Purcell all wrote for this end-blown flute.

Then, quite suddenly, in the mid-eighteenth century its popularity was so completely eclipsed by the side-blown flute that the recorder suffered almost total extinction, its only vestige being the common tin (or penny) whistle. The 20th century revival of the recorder—now the mainstay of school orchestras—was only begun in 1919 by Arnold Dolmetsch.

Both the important instruments in Sotheby's sale have suffered from slightly insensitive restoration or modification in the early Dolmetsch period; but it does not affect their performance (still admirable after more than 200 years) or their price: these simple but subtle instruments of turned pearwood are expected to realise between £2,000 and £3,000 apiece.

The Sotheby brass section includes an oddity likely to be of greater historical interest than orchestral utility. The Cornopean or *cornet d'harmonie* is a prototype of the modern *cornet à pistons*. The one to be sold was made in Queen Victoria's reign and has three pistons operating complicated but not overly practical disc valves of a kind invented by J. Shaw of London. The first form of *cornet d'harmonie*, which made its début at the première of Rossini's *William Tell* in 1829, had only two pistons. In any event Hector Berlioz remained severely unimpressed: "Jocund melodies will always have to fear from this instrument the loss of a portion of their nobility, or, if they have none, an additional of triviality."



The mainstay of musical instrument sales remains—as it has at least until Phillips started regular instrument sales in 1794—the aristocratic violin family. Italian violins are still the most prized, as they have been since the 1560s, when Andrea Amati arrived at the present proportions of the instrument.

This reverence for the Italian violin has always had a demoralising effect on craftsmen of other countries, and in the past gave rise to the practice—often among even perfectly creditable makers—of signing instruments with fake Italian names. Sotheby's have some half a dozen instruments all unequivocally signed "Antonius Stradivarius Cremonensis Faciebat" and with early eighteenth century dates. All of them were in fact made in Germany, the best part of two centuries later, often by people who merited better than this sort of fraudulent anonymity.

These instruments will probably provide someone with cheap and serviceable instruments for £30 or so. The real 18th century Italian violins in the sale (there are a couple of good examples, as well as a handsome 'cello dating from the end of the 17th century) are more likely to go into the four-figure range. So will a good example by the great French maker of the 19th century, Jean-Baptiste Vuillaume.

There is happily a growing appreciation of the work of the best English violin makers. A fine cello made in the late 18th century by William Forster of London is estimated at between £1,000 and £2,000; a beautiful modern instrument made by Geoffrey Gilbert in Peterborough in 1920 could also reach four figures.

English makers too have excelled in the making of violin bows—quite a separate field, especially favoured by investor collectors on account of their small size and the substantial appreciation they continue to show. While the "Stradivarius of the bow" is François Tourte, who perfected the modern form of the bow in the late 18th century, the English master was James Tubbs, who produced his faultlessly balanced bows in his Soho workshop at the end of the last century and the beginning of this. A superb Tubbs ... mounted with gold and tor... shell is estimated at £700... in Thursday's sale.

There is at least a ... Stradivarius' work in the ... The last lot is a good-lo... instrument, with a ... Stradivarius label of 17.., while the table appears to ... controvertibly the work of ... master, the back and ribs attributed to Nicholas Lu... Paris and the head to Gu... of Mantua. The legend ... mystery surrounding ... distinguished composite ... tradition it was given by a ... aristocrat to the violinist ... mann) is only heightened ... loss of alleged certificates ... once accompanied it, during ... second world war. Was the ... of Stradivarius's work ... irreparably damaged? or ... the original instrument ... up to make several "authe... Stradivari? Odder things ... happened in the world of ... musical instrument mark...

Saleroom

Flemish demand

THE FIRST MAJOR sale of Old Master paintings this year took place at Christie's yesterday and totalled a respectable £182,520. There was strong bidding from continental buyers and some surprising prices, not least the £9,000 paid by a private buyer for *The Harvest Festival*, a picture attributed to the 16th century Flemish artist Marten Van Cleve.

Christie's had expected to attract bids in the £1,200-£1,800 range. Another Flemish picture, an ice scene, which appears in the catalogue as by Grimmer also far exceeded its forecast, going to the Brod Gallery for £6,500, as against the £500-£800 estimate. Presumably in both cases there were people in the saleroom more prepared to gamble on the authenticity of the paintings than cautious Christie's.

Another Flemish work, a ... scape scene by the early ... century artist Claes Dirks... der Heck, sold for £4,500 ... private buyer and a ... Teniers the Younger ... cattle and herdsmen ... tavern went to Fell for £... just below forecast. The ... price was paid by Agne... *The Continence of Scip...* Placido Constanzi.

ANTONY THORNCR...

Sotheby Records

Camille Pissarro, *Soleil, après-midi, la rue de l'Epicerie à Rouen*, oil on canvas, signed and dated '98, 32 by 25½ inches, sold on 1st July, 1975, for £120,000

Sotheby Parke Bernet & Co., 34-35 New Bond Street, London, W1A 2AA

This fine painting achieved a world record price at auction for this artist, and is one of three canvases on the same subject, painted by Pissarro in 1898 both as a record and a form of protest against the town of Rouen's decision to destroy the old buildings surrounding the cathedral. Although his protest was to no avail and the houses were torn down, Pissarro left us a work of particular beauty.

The annual subscription to the catalogues and lists of prices realised, which includes Modern British and Contemporary art, is £36 for the London catalogues (U.K. only); the subscription for the New York catalogues is $115.

For information and advice write to Michel Strauss, Thilo von Watzdorf (Contemporary art) or Julian Barran (drawings).

Sotheby's

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A MESSAGE TO THE PEOPLE OF BRITAIN

The Archbishop of Canterbury's Appeal for less materialism and a more simple and Christian way of life can best be achieved by bringing as many people back as possible to the realisation of the joys of seed time and harvest which are basic to human nature. What follows—written just twenty-two years ago—is truer now even than it was then.

THE GOOD EARTH

by

NOEL ARMSTRONG, M.A., LL.B. (Cantab)

(Founder and Honorary Secretary of the Norwich and District Food Production Council)

"1. THE NATIONAL OUTLOOK

No one who thinks deeply and who looks ahead can fail to be anxious as to the National Outlook. Economically Britain with a population of 52 million on a small island, has yet to recover from the effects of two wars within the last 50 years and her chances of doing so are made harder by the changing economic circumstances of this half century. The world struggle for industrial markets and increasing world demand for food is gradually shifting the balance between the rewards for agriculture and the rewards for industry. Great Britain's days of cheap food imports and relatively high-priced exports of manufactured goods have gone for ever. Britain can never again be the world's chief supplier of manufactured goods—she can never again be an agricultural country but unless she can materially alter the balance of home food production in relation to exports and imports she is likely to suffer a perpetual series of economic crises.

Morally and spiritually there is the same cause for anxiety, empty churches, broken marriages, juvenile crime, a restless craving by our urban masses for artificial and passive pleasure rather than energy to create one's own amusements: a materialistic desire in all sections of the community to get us as much as possible for as little service as possible: a general weakening of commercial and other morality throughout the entire nation and an insidious apathy which is creeping gradually over the people to the detriment of enthusiasm, leadership and hard work.

Although in all sections of the community there appears a general realisation that there can be no economic improvement without first an improvement in the moral and spiritual conscience of the people, there is general apathy and a lack of knowledge as to how that improvement can come about. Some say the reason lies in the failure of the churches, some in the way our schools bring us up, some that it is just that Britain has started the days of her decline as long ago the anciet empires of Greece and Rome started theirs.

2. THE GOOD EARTH

In Norwich there is another school of thought—that man was intended by his Creator to have contact with the good earth and with nature and that many of our social, moral and spiritual troubles may be due to the fact that the Industrial Revolution divorced the large majority of our urban masses from those natural contacts: the result being that mankind is beginning to deteriorate even as a wild animal deteriorates in captivity.

'It is because,' as John Green says, 'large masses of people are deprived of the natural associations of living that they are apt to become bored and depressed by human existence. Dependence on the seasons and on the life cycle of animals is something which the human race may well need and if so it is something which must be satisfied. This is no romantic claim for a new way of life but rather a claim for recognition of an existing need in an industrial society for some of the forgotten skills and associations.'

We must realise that the large town, and the problems created thereby, are something reasonably new in our history. In the Middle Ages many of the townsmen had bits of land of their own in the town fields and cultivated them freely of their own accord. They combined the practice of a craft with a small holding or the keeping of a beast or two, and thus achieved a balanced economy which, in the opinion of Dr. W. G. Hoskins, Reader of Economic History at Oxford University, was the best way of living ever achieved by mankind. It is impossible to say what proportion of a town population had some contact with agriculture in pre-Industrial Revolution days, but it was undoubtedly considerable.

3. THE INDUSTRIAL REVOLUTION

Then came the Industrial Revolution, the growth of large towns and the beginning of the materialistic age, which in many cases has brought hunger to the soul and a craving for artificial amusements as an antidote for natural happiness which is lacking. While between 1875 and 1914 Britain was flooding the world with manufactured goods, she was getting in exchange cheap food produced under conditions which the buyer himself would never have agreed to work. Taking the long view, cheap food has been a great disaster for Britain. It divorced our people in urban areas from the natural and simple pleasures of life and led them to the passive and artificial. It encouraged them to expect, as of right, food produced under conditions which they themselves would not have tolerated. It has taught a wrong standard of values in the belief that if you only have enough money, you have happiness. Cheap food taught our people that land is of no value—which is illustrated by the many idle plots in country and town alike—whereas in fact economically, physically and morally, if a man knows how to use it properly, a piece of land is the most valuable thing a man can possess. More disastrous than ever, the divorcement of our people from the balanced economy of the Middle Ages, and from natural contacts, has led to a deplorable lack of dependence of the individual on himself with a loss of that moral and spiritual independence which comes from self help, out of doors, in contact with the good earth and nature.

4. THE PROBLEM OF FOOD

In very many ways the spiritual is reflected in the physical. The material body requires regular nourishment: the spiritual life equally requires regular sustenance which it derives from prayer, worship and Bible reading and the like. It is also true that the physical beauty of splendid or natural surroundings has a vital part to play in our lives. Modern urbanisation is something unnatural and we play with nature at our peril. It is part of the duty of the Christian Church to point this out.

The Norwich and District Food Production Council—a committee of delegates representing schools and allotments, and domestic poultry and rabbit clubs—was formed in 1948 for economic reasons. It anticipated that Britain would never again be able to depend on cheap imported food as she did before the war and that the best safeguard against a permanent national food shortage was not to depend entirely on the farmers but for everyone with a garden or allotment to grow vegetables and raise small livestock such as poultry and rabbits for themselves.

As time went on this Council discovered moral and even spiritual values in its belief. It found that even as the fresh food from garden and allotment nourished people's bodies, so did the care of garden and stock give them quiet minds. The families that cultivated their gardens and allotments were happy and healthy. Mothers and children as well as fathers enjoyed it. The garden seemed to be a cure for many of the ills of town life—the nervous strain, the endless craving to be amused, the disposition to look for state aid instead of relying upon self help. The gardener, instead of grumbling about shortages and asking, "Why doesn't the government do something about it?", gained a great deal of satisfaction out of doing something for himself. Self help in contact with fresh air and the good earth gave an independence, wisdom and fullness of spirit that it was impossible to obtain in office or factory or in the heart of a big town. And economically self help in garden or allotment could help the family budget without adding to inflation as does a rise of wages.

5. NEW LEADERSHIP

Now that hundreds of thousands of acres have been taken from farming for the housing of our populace in the outlying urban areas it is possible to remedy some of the evils to which I have referred earlier. But for that to happen there will have to be new ideas, new leadership and a new standard of values. Our economic and moral situations are bound up together and bear at the moment alarming similarities to those prevailing in the declining days of the ancient empires of Greece and Rome. The need to grow more food, and to cook it properly will, as the years go by, become more demanding. In the future an outlying townsman may have his job in office or factory with slightly shorter hours but combined with the necessity to cultivate his garden or allotment with crops, rear small livestock and be better off than a townsman with a higher wage. The return to that balanced economy spoken of by Dr. W. G. Hoskins as the best way of living ever achieved by mankind, will in time lead to a better standard of values and an economic, social, moral and spiritual improvement in our outlying townsman which will reflect itself for the better over the whole national life of Britain.

In the seven years of its existence the allotment holders, domestic poultry and rabbit keepers of Norwich and District, by being the first to attempt the redress of some of the worst evils of the Industrial Revolution, by calling attention to the value of self help and the importance of the individual and his contribution to his own and national well-being, have found a positive creed of living which can give hope in the days of difficulty which, must inevitably face the 52,000,000 people in these islands in the days ahead."

If all of us who can, practise the Gospel of the Good Earth, it will not only make a huge contribution to our national balance of payments deficit and help to counter inflation but it will do much to help the Archbishop of Canterbury's Appeal for less materialism and a more simple and Christian way of life. And from the earth and its increase we shall once again learn the pride of industry and the necessity for Faith.

LET'S ALL GO TO IT

Please cut this out and pass it to a friend or neighbour and ask them to do likewise.

3 Eaton Rd., Norwich, NR4 6PY.

...port

...ussia takes ...ore medals

SKATER Sheila Young ... on the power that ... her a world sprint cycl- ... three years ago to give ... its first gold medal of ...6 Winter Olympics in ...k.

...oung, 25, from Birming- ...chigan, who thrives on ...ule of skating in the

...ympics

... and cycling in the ... won the 500 ... event and emerged as ...e for to-day's 1,000 ...gold medal.

...ooks set to launch a one- ... U.S. attack on Soviet ...ion of the Games which ...lready brought the ...s three golds out of five ...lecided so far.

...oung won in an Olympic ... of 42.76 seconds—with ...ner skaters beating the ...rk set at Sapporo four ...go—in a fine follow-up to ...prise Silver medal in the ...etres.

...e Soviet Union was back ...arn-storming best in the ... events when it took Gold ...nze medals in the indivi- ...iathlon—as happened in ...lier 30 kilometre cross- ... race.

...vent combining a 20 kilo- ...cross-country ski course ...ur rifle-shooting sections ...ave gone to 1975 world ...on Heikki Ikola of Fin- ...ut for a shot fired by ... before he had the target ...p in his sights.

...in's Biathlon skiers all ...l in the bottom half of ...d. Team captain Richard ... said he was extremely ...inted with the result.

... many of the competitors, ...tish shot badly at the last ...ries of shooting stages, ...each man had to fire five ...t a target 150 metres ...cross a dazzling expanse ..., poor shooting incurred penalty minutes to add to a skier's time.

The Soviet Union also showed power and experience in beating the U.S. 6—2 at the start of a bid for their fourth successive Olympic ice hockey title.

The Russians, cruising at half-speed through much of the game, had little trouble against the young American team, largely made up of college students.

Britain's Jeremy Palmer-Tomkinson moved up to 29th place in the Olympic men's single-seater toboggan event after clocking his second sub 55 second run in two days.

Palmer-Tomkinson, a 32-year-old landscape designer, is now the best-placed Briton after London merchant banker Michel de Carvalho dropped from 27th to 31st after the third series.

"I should have been faster. down in the lower 54s, but I just cannot stop hiting walls," Palmer-Tomkinson, a veteran of three Winter Olympics, said with a grin. "I had a very poor first run of over 57 seconds when I fell just before the kreisel (loop)."

In the wake of compatriot Franz Klammer, Brigitte Totschnig reckons she knows exactly what she has to do to win the second of skiing's "glamour" events—the women's downhill. Already jubilant over the Klammer win, the Austrians are now looking to complete the double on Sunday. "Klammer showed the way I have to ski. I have to be aggressive, attack all out and not make the mistake of defending my position as favourite," the blonde Austrian girl said yesterday.

Miss Totschnig now looks like succeeding in her bid after topping the practice times on the 2,310-metre Hoadl run for the second successive day. She clocked 1:48.34 compared with the 1:48.96 of World Cup leader Rosi Mittermaier of West Germany and is bubbling over with confidence.

Swiss morale, high when practice began three days ago, dropped as their defending Olympic champion Marie-Therese Nadig, reported that her right shoulder which she badly wrenched on Wednesday, was not getting any better.

08.00—Toboggan. Women's and Men's fourth and final runs.
09.00—Cross-country. Women's five kilometre.
09.30—Speed skating. Women's 1,000 metres.
12.00—70-metre Ski-jump.
13.30—Bobsleigh, two-man, third and fourth runs.
13.00—Ice hockey, Group "B," Yugoslavia v. Romania.
15.00—Ice hockey, Group "B," Bulgaria v. Switzerland.
19.00—Ice hockey, Group "B," Austria v. Japan.
18.30—Figure skating, pairs free skating.

Brigitte Totschnig, favourite to make it a downhill double for Austria in the Winter Olympics on Sunday.

...acing

...-form Polymic

... LIGHTLY - WEIGHTED ...c, who has been maintain- ...art form since October ... as a sound each way ...tion at expected odds of ...r to-day's £7,000 Stone's ... Wine Chase at Sandown.

...am Thorner's mount, a ...fourth behind Even Up, Marshal II and Pengrail ...Eridge Chase at Lingfield ...n December, in which he ...ord Browndodd, to whom ... giving 3 lb. a neck behind ... place, put up his best ...nance of the season in the ...Bull Chase at Wincanton ...y.

There, Polymic, jumping fast and cleanly, never appeared likely to be troubled by the odds-on April Seventh after being sent into the lead a mile from home.

At the line Thorner's mount had 30 lengths to spare over the Hennessy winner, with the remaining runner, Flickity Prince, a further 25 lengths away.

Although three-runner events are often misleading, Polymic could do no more than win as he did, and appeals as the value bet in an open race.

In the Gainsborough Chase, carried over from yesterday's abandoned card, I shall be more than surprised if *Bula* cannot make short work of the Dikler on level terms. The two other Uplands representatives, *Indianapolis* and *Linsky*, can win the Spring Hurdle and Ripley Hurdle respectively.

At Stratford, where *Nantar* can provide Fred Winter with his fourth winner of the day by taking the Knight, Frank and Rutley qualifier, the Derek Kent pair, *Grand Canyon* and *Adulation* are both confident selections for their respective races, the SKF Hurdle for Future Champions and the Elsinore Novices Chase.

DOMINIC WIGAN

SANDOWN
0—Bula
0—Indianapolis
0—Village Slave
0—Polymic e.w.
0—Stone Thrower
0—Linsky

STRATFORD
5—Embassy
5—Nantar
5—Grand Canyon**
5—Tingle Creek
5—Double Negative
5—Adulation***
5—Air General*

WETHERBY
0—Fighting Cock
0—Another Muddle
0—Playbill

...achting

...rossing the line

...ERDAY morning, as his ...crossed the equator at a ... almost exactly half way ...en the African and South ...can continents, Roy Mul-..., the skipper of Great ...n II, was talking to Clipper ...fficials in London by radio ...one. In spite of the fact ...t must be the first time ...several members of his ...have crossed the line by ...e only background sounds ...those of static, though it ...bable that last night was ... the yacht's party even- ...held to mark special occa- ... and to relieve monotony ...sion. Most crews sailing ... first leg of the Financial ... Clipper Race held special ...gs when one watch would ... the rest of the crew to ... and on one yacht in the ...round the world two years ...e crew held a fancy dress ...among the icebergs of the ...rn Ocean.

...ing his report Roy Mullen- ...aid that they had been ...g good progress north- ... until Thursday afternoon ... they finally lost the last ... South-East Trades and ...d the Doldrums. They ...covered more than 500 ...in the previous three days ...d now almost stopped and ...ried almost every sail ...l to maintain any progress. ...ir entry to the Doldrums ...heralded by an intense ...l rain storm which ...l supplement their water ...s, reduced after tanks split in the Southern Ocean. They now have 22 days in which to reach Dover if they are to beat the 69-day record of the Clipper Patriarch, and must average 170 miles per day, or 7.1 knots, for the remaining 3,800 miles.

The Australian ketch Anaconda II, which last week seemed to be catching the British yacht, has slowed appreciably covering only 300 miles in the past five days as she continues to hug the Brazilian coastline.

Other than a position report no news has been received from the Dutch ketch The Great Escape, but she continues to sail doggedly northwards averaging about 150 miles per day and staying in the track of Great Britain II as she has done for almost the entire voyage around the world. The Italian yacht CS e RB II has left Stanley, in the Falkland Islands, where she stopped for four days for radio and rigging repairs last week-end and it seems that her radio difficulties have not been resolved.

Kriter II, meanwhile, which restarted from Sydney four weeks after the others, is now in the area of maximum radio complications to the west of Cape Horn and has not sent a position since last Sunday, but she will almost certainly regain contact once more once round Cape Horn, probably later next week.

ALEC BEILBY

Squeeze beater

Squash

AS ANYONE who has tried to book their local squash court will tell you the game is enjoying a continuing boom. The little black ball is being chased from Land's End to John o' Groats, from Aberystwyth to Yarmouth as the habit catches on. There are now an estimated 600,000 regular players (twice a week or more) in Great Britain, approximately double the number who were playing five years ago.

To cope with the increasing demand the number of courts has been growing at the rate of 10 per cent. per year so that now there are some 4,000 in use. Of the 900 clubs affiliated to the Squash Rackets Association, the game's governing body, private clubs form the largest group (approximately 69 per cent. of the total). The smaller, leisure centres, however, are expanding fast. In 1970 there were only 27 leisure centres with squash courts. This year there will be some 250.

The extent of the boom was over-estimated by at least two companies who joined the rush to build Squash Centres, the comfortable modern premises, warm and well-appointed, that are the magnets attracting ever-larger numbers of players. Town and Country and Gunnerslade was trapped between the three prongs of inflation, rising building costs and over-expansion but EMI, with greater resources and, perhaps, shrewder management has ridden the recession and is now the largest commercial group with 19 centres in operation and 126 courts in use.

Another company to profit from the boom has been Banbury Squash Courts which builds prefabricated units, erected quickly and relatively cheaply.

The most ambitious commercial venture to date is at Wembley Stadium where the vast ten-pin bowling centre, which became a white elephant, has been skilfully transformed into a veritable golden goose. The 15-court centre is open from 9 a.m. to 11.30 p.m. seven days a week and is open to the public. The unusual aspect of this £400,000 development has been the financial involvement of the SRA in the capital structure They have an investment of £55,000 which gives them exclusive use of the glass back wall show court for an agreed number of days each year for tournament use.

Undoubtedly the boom was greatly accelerated by the popular interest in Britain's greatest player Jonah Barrington who won both the Amateur and Open Championships the same year in 1966 before turning professional in 1969. This dedicated Cornishman, who plays for Ireland, broke new ground by sustaining a punishing training programme to reach a level of fitness never before believed possible.

Barrington has shown that not least important in fostering the growth which we can apparently expect to continue in all areas of the industry—for that is what it has become—is the star quality of its leading performers. As the spotlight focuses upon the four men who will contest the semi-finals to-day of the £10,000 Lucas British Open Championships—Qamar Zaman the favourite against fellow Pakistani Mohibullah Khan and Australia's Geoff Hunt, the second seed against a third Pakistani Gogi Alauddin—and the media explain to the world what went on inside Wembley's goldfish bowl the industry will be on the way to setting new records.

JOHN BARRETT

Qamar Zaman, possible British Open Squash championship winner to-day.

Travel 1

Away with the kids

BY PAUL MARTIN

APART FROM taking the children away on the conventional family holiday, whether in this country or abroad, many parents find it difficult to keep them fully occupied throughout the long summer holidays, or even during the shorter Easter break. In an increasing number of families, where mother and father are both working, they certainly cannot devote six weeks to looking after their offspring.

But each recent year has seen a broadening range of holidays catering for children of different are groups and interests. Whether on their own, or accompanied by parents at both U.K. centres and abroad, and virtually whatever their particular interest may be, it is possible to find a holiday to fit the bill.

It is surprising how many parents misjudge the tastes and hates of their off-spring. Young children are dragged on long journeys abroad, sometimes involving long and tiring coach journeys—from the airport, to the final destination where the unaccustomed heat and food only upset them. Young children do not appreciate the finer points of church architecture and are usually not overkeen at being made to look at paintings or ancient ruins which hold no fascination for them.

With children of this age, a "houseparty" in this country, possibly at a seaside location, would be a far better choice. Usually held in a country house or perhaps at a school that would otherwise be empty during the vacations, these family houseparties are very informal. The resident host and hostess can advise on local sightseeing and the best beaches in the area, and will often take the younger members off their parents' hands for nature walks or properly supervised swimming parties.

Enjoy Britain and the World offers such an arrangement at Polwithen House, Penzance from mid-July to the end of August. The house stands in several acres of grounds with tennis courts and there is also the opportunity to go off riding or shark fishing. Weekly costs per adult, which include full board, service charges, child supervision and baby-sitting but not VAT, are £37.75 with reductions for children.

In our own case, with children of a fairly wide age-range, we find that cruising makes an excellent family holiday.

Although initial costs may appear high, there are considerable in-built savings. Many normally hidden extras, such as early morning tea, "elevenses" and afternoon tea, free ice-cream and a full entertainment programme are included in the cruise fare. Children have their own playrooms and nurseries with fully-trained staff to organise treasure hunts, fancy-dress competitions, deck games and their own film shows while, if they choose to take part in all the varied activities on board, their parents can fill the day twice over.

A holiday taken away from parents is often a first, and very enjoyable way of giving children a gentle nudge from the family nest, giving them a sense of independence and adventure and the chance to meet children from other countries. It also provides facilities for taking part in activities not possible at home. Few of us urban dwellers can provide a river at the bottom of the garden for canoeing or rocky outcrops for climbing, least of all miles of moorland and countryside for pony-trekking.

These unaccompanied holidays have traditionally been more popular with the Americans or French, but, even in Britain, there are holidays for all ages. Barton Children's Holidays, with various centres, including Barton-on-Sea, Swanage and Lewes, welcome reasonably independent "minis," as they call them, from four years old upwards. They operate over half-terms as well as longer holiday periods.

The choice is naturally wider for older age groups. Some arrangements concentrate on one specialised course while others combine various outdoor pastimes. PGL Adventure Holidays offer sailing, pony-trekking and canoeing in the Brecon Beacons National Park and the Wye Valley for 7-8 year olds and up to 18-30 plus. The accommodation is fairly basic with the accent here on "doing" under expert tuition and supervision. PGL also offer a wide range of holiday activities abroad.

For those seeking something more specialised, GB Activity Holidays incorporate the Plymouth Sailing School based in the new Sutton Harbour Marina. At the end of a week, beginners should be competent to handle a sailing dinghy on their own while those with some previous experience can learn more advanced techniques. With a full social programme included, the cost of a course, with residential accommodation, is around £75.

Holiday Fellowship offers an interesting concept in family holidays in France, staying in one of several Villages Vacances Familles. These include Colleville on the Normandy Coast, (a bonus for fathers would be a visit to the Museum at Arromanches with all its associations with the D-day landings), Amboise on the Loire and St. Martin-de-Belleville in the French Alps. Costs, depending on the number of people travelling and the centre chosen, can be obtained from the address below.

Other long-established specialist organisations include Colony Holidays and, covering activity and musical interests, YHA, the Bowles Centre near Tunbridge Wells and Youth and Music, the British section of Federation of Jeu... Musicales.

Whatever the parti... interests of your own young... be, there is certainly no ... well-estalished organ... catering for the needs of ... dividual or group.

FURTHER INFORMATION: Barton Children's Holidays, West Woodyates Manor, Salisbury, Wilts. Bowles Outdoor Pursuits Centre, Eridge, near Tunbridge Wells TN3 9LW. Colony Holidays, Linden Manor, Upper Colwall, Malvern WR13 6PP. Enjoy Britain and the World, 21 Brompton Road, London SW7 3HZ. GB Activity Holidays, Vauxhall Quay, The Barbican, Plymouth, Devon. Holiday Fellowship, 142 Great North Way, London NW4 1EG. PGL Adventure Holidays, Ltd., Station Street, Ross-on-Wye, Herefordshire HR9 7AH. YHA, Trevelyan House, St. Albans, Herts AL1 2DY. Youth and Music, 22 Blomfield Street, London EC2M 7AP.

Your weekend £: Austria 36.60, Belgium 81, France 8.96, Italy 1,625, Greece 76, Spain 119.25, Switzerland 5.20, U.S. 2.0225. Source: Thomas Cook.

The sand and scenes of Rio

BY ELINOR GOODMAN

THE CLASSIC way to arrive in Rio de Janeiro is to sail into the harbour at dawn, thus seeing one of the world's most breathtaking views before breakfast. My arrival by bus at five o'clock in the morning from the north-east of Brazil was less romantic but none the less breathtaking. For a stranger it it inconceivable that people actually live and work in a town which stretches along 15 miles of beaches, and which is bounded not just by the Sugar Loaf and the Corcovado, as the posters tend to indicate, but a whole range of mountains. The jungle in Brazil does not begin and end at the Amazon: for many people who live in Rio, particularly those in the shanty towns which huddle between the luxury blocks, it begins at their backdoor.

My first reaction seeing the beaches was one of relief. A distinctly fat pallid man was jogging laboriously between the teams who sweep the sands in preparation for the crowds. For a moment I thought that all those stories of the beautiful Cariocas had been wrong. But no, it turned out that the less than physically perfect specimens only dare to emerge on the beaches before sunrise. By 10 o'clock the bulging bottoms had been replaced by immaculate physiques, most of them encased in tiny triangular "tangas."

Physical fitness is an obsession in Rio, and any tourist would be well advised to spend at least three weeks at a health farm before going there. Copacabana is marked out with jogging tracks and dotted with gymnastic equipment. Despite their poor, and very starchy diet, even the inhabitants of the favelas have beautiful straight bodies. As the beach, artificially extended in places, is the biggest open space in Rio, everybody congregates there. Old school friends meet in "teams" each day at the same spot to swim and play endless games of "fresco bol" and volley ball while the poor go there to wash and work and, at night, to leave offerings of candles and food to the gods of the sea. In the evening the beaches are taken over by the bare-footed footballers who make up the 300 team strong beach league.

The result is that the beaches are more crowded in the summer—winter in England—than Southend on Bank Holiday Monday. But for the sun-worshipper or the people-watcher it is more than worth it. The swimming on most beaches is rough and until recently, when surfing was banned on some beaches, the sea was ruled by the rich children of Copacabana and Leblon (identifiable by their Californian-style streaked hair) who ride their surf boards with a single mindedness which prevented them noticing anybody except another surfer who might, just possibly, be better at it than they were.

Rio has the reputation of being a very expensive place to spend a holiday. Certainly the rows of jewellery shops and boutiques with their clientele of elegantly dressed women gives the place a very opulent atmosphere. (Decadent sometimes seems a better word when you are confronted by the poverty which exists alongside this affluence). It is not a cheap holiday from England. Even cut-price package tours from Europe start from around £370.

But once there, it it not necessary to spend a fortune as long as you are prepared to forgo Scotch whisky and French wine. Brazilian spirits, particularly the sugar based one used in *batidos* are quite good, though wine drinkers would probably do better switching to beer or paying a bit more and sampling the Argentinian or Chilean wine. Brazilian wine tastes like a mixture of Ribena and vinegar.

Hotels are not much more expensive than in Rome and you can eat well for £6 for two if you stick to a main course and fruit. The breakfasts served in the better hotels are so generous—coffee, fruit juice, bread and jams, and possibly cheese, and more fruit—that it is quite possible to survive with only one main meal, fuelling up during the day at the numerous fruit juice bars which liquidise every conceivable fruit on the spot for around 25p a glass.

Moreover, it is not necessary to spend much on entertainment. The beaches cost nothing except a layer of skin, and in the evenings, given strong legs, you can wander up the mountains to the old quarter of Santa Teresa or walk along the beaches and watch the candles flickering by the sea alongside rather less holy goings-on. If you are lucky, you might even find a Macumba ceremony on the beach where African saints (Christian saints have an equivalent Saints' mother) are invoked and devils laid to rest by frenzied dancing and the beating of drums. More usually these Macumba ceremonies are held on the mountains behind Rio. One Sunday night. I walked up a road through Leblon — one of Rio's smartest residential areas — and, led by the throb of drums, into the jungle. There, less than a mile from the sophistication of the beach, the inhabitants of one of the shanty towns were celebrating their ritual in a clearing surrounded by huge trees and overhanging creepers. Anybody who goes to one of these cermonies should remember that the priestesses do not appreciate photographs being taken any more than vicars during an English Church service.

The buses are very cheap and quite easy to use, once you have worked out the way from your hotel to one of the main stopping places, such as Leblon or Copacabana. Like the taxis, however, they are nerve-wracking for anybody not used to Brazilian driving. All drivers seem determined to emulate Fittipaldi regardless of red lights.

One escape from the traffic is to take a boat trip to one of the islands in the bay for about 50p and rent a bicycle for a day. In the evenings, it is worth buying a local paper, rather than asking the hotel porter, to find out whether there are any samba schools or concerts going on. Many of the Cariocas themselves appear to live solely ... samba (people often ... dancing quite spontaneous... the beach and save consi... sums of money for ... Carnival outfits) so these ... are not just tourist trap... of the audience knows ... words.

Although it is far mo... fying to go places where ... tourists fear to tread, it ... obviously be stupid to go ... without going up both the ... Loaf and the Corcovado. ... though I was already writ... of adjectives by the splen... of the North East, the ... from both mountains were ... rivalled by anything else I ... seen. From the Corcovado ... can see the whole of ... stretched out before you ... the jungle creeping up be... Looking inland gives you ... idea of the immense s... Brazil while looking towa... sea, you see the various e... which go to make up the ... the industry of the suburb... across the bay at Niteroi ... the luxury blocks of flats ... the sea, and the shanty t... From the Sugar Loaf, you ... either look out to sea, like ... captain on some vast sh... look back across the city ... out along the beach under ... guardianship of the Corco...

To get to the Sugar Loaf ... have to take a lift which, ... tri-lingual commentary p... out, is the longest in the w... Run by VASP, the airline ... the opportunity offered by ... captive audience in the lift ... remind the public, again ... three languages, of the co... pany's seemingly endless ... beating accomplishments ... the time I got to the bottom ... was sick to death of VASP. ... at least Brazilian internal ... lines try to speak to the ... passengers in more than ... language which is more th... could be said for the inte... tional airline which flew ... back to Europe.

Surrounded by water

ARTHUR SANDLES

IT TOOK a moment or two for me to work out whether the man from British Airways was telling some convoluted joke. "If you've got an island," he said, "you're home and dry." The real explanation was that if you are a tour operator and have islands in your programme, you are bound to have queues outside your door this year.

Perhaps it has something to do with getting away from urban life, and the search for a little isolated security, but from Mauritius to Minorca, St. Kilda to Sardinia, the rush for rooms seems to be on. If you are planning a holiday this year and have an island in mind, be it far flung or off-shore British, it may be best to book early. Malta and Barbados are current top sellers.

Other popular spots this year appear to be Greece (particularly the islands!), and the U.S. Market reports suggest that you should not have too much trouble getting into Majorca — all rules have exceptions — or the Costa Brava, even if you leave it a bit late.

If you are an island addict, most of the better known ones, and some lesser known, are thoroughly explored in a series of books published by David and Charles, called The Islands. Approaching 50 are either out, or in preparation. Just one of them could keep your mind occupied while your ears listen to the waves.

Perhaps these are the good old days

ARTHUR SANDLES

E of the fact that there within the hearts of all n inclination to try a least once in a life- number of sea voyages continues to decline. e years the pressures fuel costs, the increas- e of actually building d the steady improve- crew wages has forced perating expenses of the companies and reduced . In the face of this ships have grown schedules tighter and ent on economy has It may well be that in s' time we shall look the '70s as the golden cruising in much the y as we now regard the

igh the industry may le slimmer than it was, still a great deal on d certainly plenty for t discriminating cruise r to choose from. This re should be more than berths available on iling from the U.K. On top of this there is a wider range of es from foreign centres, e tend to be marketed onally and therefore an ount is difficult.

se distressing economic en the 110,000 tickets are probably more market really needs. ces the customer in a ong position. Whether se companies will actu- n to the price-cutting has occurred in other s remains to be seen. re are likely to be a of additional incentives. moment it seems that son fares will be around ent. up on last year in and marginally less in bbean.

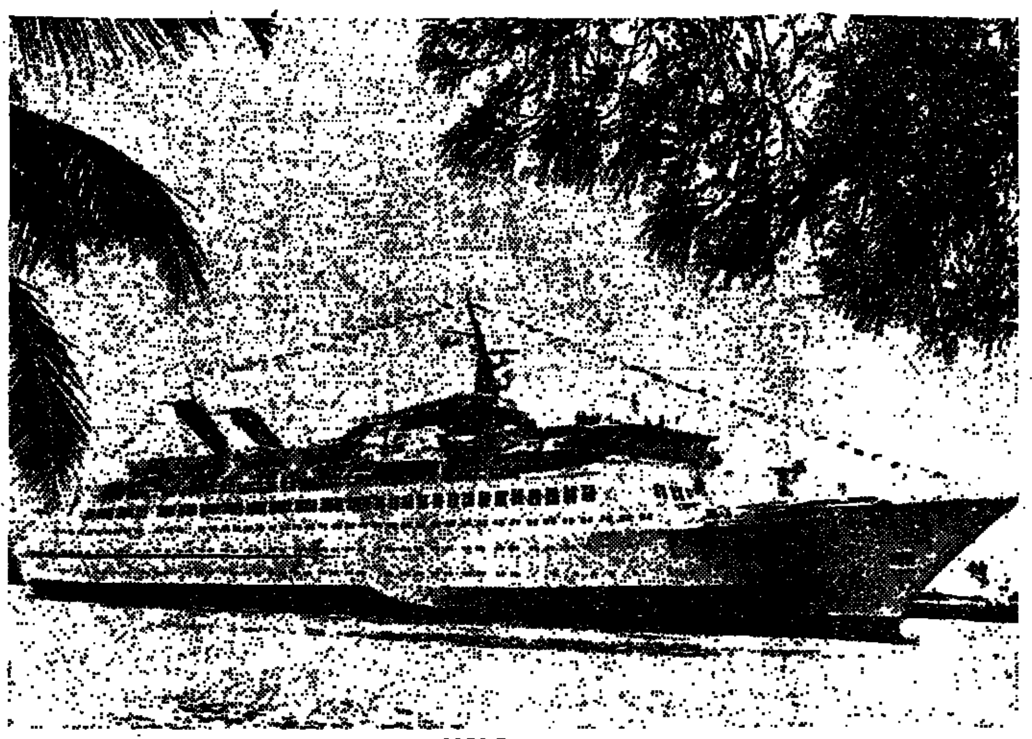
ng to-day, on the face not cheap. However, y to forget that cruise e more fully inclusive y package tour. You are likely to require far less in the way of spending money than for a land-based holiday. The fares vary considerably—from a little under £20 a day to something approaching £70 a day for those who prefer knee-deep luxury.

The cheapest cruises on offer on any scale are still the Eastern bloc. Both the Russians and the Poles are running series of cruises from Britain again this year.

Overall latest market reports indicate a trend towards more exploratory cruising and less of a dependence on the traditional Mediterranean routes.

Some cruise operators have found, for example, a growing interest from Britain in cruising around the Scandinavian coastline. Norwegian-America Line starts its ex-U.K. programme on May 26 with an 11-day Norwegian holiday starting from Harwich using the Dana Regina DFDS. The holiday includes an overnight in Copenhagen and four nights in a mountain hotel at Gola in Norway. Prices are upwards of £280 (all prices mentioned in this report are brochure prices and may be subject to surcharge).

But you do not necessarily have to stay on shore any length of time. Fred. Olsen—Bergen Line—are offering Norwegian coastal voyages operated by five different shipping companies. There are several programmes involving a combination from 35 different ports of call. The coastal steamers involved are an essential life-line to the fjord communities of Scandinavia. As a cruise passenger you not only have the pleasure of very comfortable accommodation and excellent food, but also have some involvement in the day to day life of the area you are visiting—and all this against the backdrop of spectacular Nordic scenery. Fares for a 12-day trip from Britain vary from £215.



M/V Starward

Thomson Holidays has been doing well taking bookings for the Calypso for its cruises to northern waters from Tilbury. And, if you are looking for something really different the National Trust of Scotland is operating two early season cruises this year using the MV Regina Maris. Its Gardens and Castles leaves from Harwich on May 15 for Falmouth, Brittany, Waterford, Dublin, Mull, Inverary and Brodick. The Island cruise sails from Greenock on May 22 for Eigg, Gighay and Hellisay, St. Kilda, Faroe Islands, Foula, Fair Isle, Copinsay and Kirkwall. The lowest fare is £260 for both cruises. The Gardens trip will be led by the Duke of Atholl while Mr. Alastair M. Dunnet, chairman of Thomson Scottish Petroleum is looking after the Islands trip.

If your taste runs to rivers there are still several ships operating on the Rhine. There are around 500 miles of navigable river and a considerable assortment of programmes to choose from. Included in the 1976 programme for the first time from KD German Rhine Line is a two-day cruise between Mainz and Rotterdam which is aimed at the long-week-end market—if you prefer going uphill the Rotterdam to Mainz trip takes three days.

However, most of us will probably stick to the tried and trusted. P & O, which has 51,000 berths in its 1976 cruise programme, has already sold approaching half its capacity. Although this is not quite as good as last year the present booking position is apparently "brisk."

Chandris which is now the second largest cruise operator out of Britain is operating the Ellinis from Southampton for the first time this summer and this is being added to the Britanis which cruises from Tilbury. To some extent Chandris appears to confirm the suggestion made by Cosmos Tours a few weeks ago about a "worker revolution" in tourism. The company says that its lower priced accommodation has sold well but admits to a slight sluggishness in the higher-priced sector.

It looks as if the bigger spenders are starting to head further afield. Obviously there are disincentives to fly-cruising notably the question of the amount of baggage you can take. Some may think, of course, that *not* being able to change clothes four times a day is an advantage rather than a disadvantage although there is always some infuriating person on board who somehow manages to offer a constantly varied appearance for two weeks at sea out of one small suitcase.

The joy of fly-cruising is the considerable widening of scope it can offer the customer. To quote one admittedly interested party, Mr. Freddie Mountier, U.K. Managing Director of Holland-America Cruises: "As regards comfort, who honestly can contemplate crossing the Bay of Biscay or the Atlantic in the winter months with any real confidence that they won't feel a bit queasy? Why put up with a miserable start at the finish of your cruise when in a few hours by air you can be aboard a luxury ship basking in the sunshine?

In the spring and summer the scene is surely somewhat different. Personally I feel that there are few joys to match that of the pleasure of sailing down Southampton Water on a fine summer evening—unless it is to sail up Southampton Water on a fine summer morning.

Unfortunately, sometimes the prelude to that "luxury ship basking in the sunshine" is a sweaty hour or so in some tropical airport arrival lounge.

The overall picture in the cruise market again shows a trend towards late bookings. People are making their travel decisions later and later, well aware that in cruising certainly it is highly unlikely that there will be nothing available. If you do leave it late you nonetheless run the risk of not getting the cabin that meets your requirements to perfection.

Seasides it's nice to be beside

THE CRUISE atlas of to-day covers so much ground as to be baffling at first glance. Long-established happy hunting grounds of the British cruise passenger in the Mediterranean have in recent years been supplemented by voyages to the Caribbean, to the Atlantic Islands, to the Northern coasts of Europe, and the gleaming waters of the Pacific.

In the last couple of years the Western seaboard of North America has become very popular, particularly with Americans, but also in its appeal to some Europeans. The cruise ships sail from Los Angeles, San Francisco and Vancouver—North to Alaska and South to Mexico and the Islands. Even further afield a whole new cruise industry is developing in Singapore using the Islands of Indonesia, with such glamorous ports of call as Bali. At the right time of year Australia and New Zealand offer excellent starting points to visit what are still relatively uncluttered waters.

Making a choice between all these offerings is not the easiest of tasks. There are various considerations to be taken into account. The Southern Hemisphere may sound glamorous, but it is a long way away and even the most exotic of destinations tend to have seasons.

Suva, a favoured destination in Fiji, sounds splendid, but in the monsoon season the rains can be torrential and the humidity often beyond European city-dwellers' tolerance levels. The early spring is a delightful time to visit the Caribbean, and yet the tourist who makes the journey in late autumn or early winter may at times have to grasp the nearest palm-tree in order to prevent himself being blown from his feet by the high winds of that season.

There are two basic types of cruises—those that offer a long period at sea with relatively few ports of call and short stays in those ports, and the island hoppers which provide the traveller with new scenery every morning. The two types of holiday attract a different sort of audience. The long voyage enthusiast tends to be one who likes to relax and read a book with not too much disturbance from the prospect of excursions here, there and everywhere. The island hopper, on the other hand, is gregarious by nature looking for pleasant company and the chance to explore new territory and taste new excitements.

For those whose delights lie in the longer sea voyage opportunities are shrinking rapidly. You can still sail to South Africa or Australia, but the true "going nowhere" trip which simply wanders about the ocean for days on end is no longer to be found. It is much cheaper to put a ship in a new harbour every day than to push it through the water.

One way of compromising is to take the QE2 across the Atlantic. At the right time of year the ocean is not anywhere near as intimidating as its image may suggest. The ship is still more than one of the best afloat, it is an experience in itself. If you sail the Atlantic in her, there is no absolute necessity even to set foot in New York City, but you may choose to stay there or in some other part of bi-centennial America before returning to the U.K. A one-way ticket is unlikely to leave you with much change from £300 for the cheapest berth. Cunard would of course, insist that since this is equivalent to having a luxury hotel room for several days plus transporation, it is still cheap at the price.

Fortunately the choice for island-hoppers is considerably greater. At its simplest the Caribbean is probably a little hot for U.K. residents in the peak summer months, but is delightful in early or late season (but not too late). The Mediterranean is at its best in the summer, and starts to get unreliable as the year wears on. This is not to say that you will not have a splendid cruise in October, but the weather can be unsettled and does vary from the sublime to the ridiculous.

The complicating dimension in this debate is, of course, price. The Caribbean is at its cheapest when the sun burns hot, while at the very same time the Mediterranean is on peak tariffs.

It pays to spend a little time with your travel agent and the guide books before making a final choice. Some apparently glossy destinations are, in fact, a little disheartening when you actually arrive. In ports like Miami the cruise ships are some distance away from shore activity and a bus trip is necessary before you can really enjoy the facilities of the area.

If you are stopping for just a few hours at any particular place this transportation problem can be irritating. Miami contrasts with Nassau which may not be everyone's favourite resort but at least the ships are able to berth within walking distance of the main shopping area. Lisbon is another attractive port of call from this point of view.

It is not always easy to find out about the climate in any particular place or the actual port facilities offered. Travel agents can be helpful, but even the most frequent professional traveller cannot have visited all destinations, and anyway, views tend to be subjective, my compulsory taxi-ride may well be someone else's easy walk.

Cunard has published a very helpful guide to its own ports of call which gives some indication of what to expect but otherwise you may need to leap to your public library. A quite useful booklet is Air Where Everywhere which is produced by British Airways and should be available at their various booking offices. This book again concentrates on the areas served by the overseas division of B.A.

In these days of over-supply in the cruise business it may be well worth your while to choose a cruise area first and a cruise company second. Again your travel agent should be able to offer help, but a valuable central source of information is Ocean Travel Development. This is a shipping company co-operative which does not push any particular concern. It is naturally determined that you should choose a cruise but has no particular bias towards any one operator. You can find O.T.D. at Nuffield House, 41 Piccadilly, London W1V 9AJ.

Port purchasing is one of the joys, and horrors, of cruising. Perhaps we should all think about how the object in question will look in our living room before we actually part with currency. Sea shells, colourful as they may seem at the time, are sometimes cheaper to buy in speciality shops in London than from the quayside in Piraeus or Barbados. Those delightful Russian mementoes can occasionally be cheaper in London. But at least with bananas you don't have to worry about taking them home to compare prices.

Avoiding the missing link

ONCE OR twice last year British cruise passengers arrived in distant ports clutching their sun-tan lotion cruise tickets only to find that the ship had departed some hours before they reached the dockside. This sort of thing can happen when your connecting airflight is delayed by weather or technical fault.

In this position the shipping company may be sympathetic but they can do very little about it. Ships run to strict schedules in much the same way as trains and if you are not there at the correct time you literally miss the boat.

Obviously where there are large numbers of U.K. passengers sailings are delayed or tour operators make arrangements for later connections. The problem really becomes serious when you have independently-booked and Advance Booking Charter or similar flights.

If you are planning to make a flight/ship transfer in some distant port it is best to allow plenty of time for the connection. At worst make sure that even if you catch the next flight you still won't be left stranded.

Check with your travel agent as to who is responsible if the ship should sail by the time you arrive.

Aerospace workers halt plants in jobs protest

BY OUR LABOUR STAFF

ABOUT 100,000 aerospace workers yesterday demonstrated against unemployment in the aircraft industry.

Their protest, which took the form of an hour's stoppage while meetings were held, mainly affected factories building civil rather than military aircraft.

The demonstration—organised by a committee of the main unions involved in the industry, including the Amalgamated Union of Engineering Workers, was intended to put pressure on the Government over the unions' demand for a halt to closures and redundancies.

The unions were also protesting at the seeming lack of Government interest in the industry's problems and, as a result, were calling for more consultation on the future of aircraft production.

Plants hit yesterday included British Aircraft Corporation factories at Weybridge and Bristol, Rolls-Royce at East Kilbride, Scotland, and Short Brothers in Belfast.

Mr. Phil Higgs, secretary of the organising committee, said that the workers were calling for Government funds for new projects because aerospace was a key industry.

The unions fear that even when the nationalisation proposals going through Parliament are implemented there will still be substantial cuts and redundancies.

The Confederation of Shipbuilding and Engineering Unions is seeking a meeting with Mr. Eric Varley, Industry Secretary, to review the employment situation after nationalisation.

Michael Donne, Aerospace Correspondent, writes: The workers' meetings resulted in the Society of British Aerospace Companies urging the Government to spend on new projects the money it proposed to spend on nationalisation.

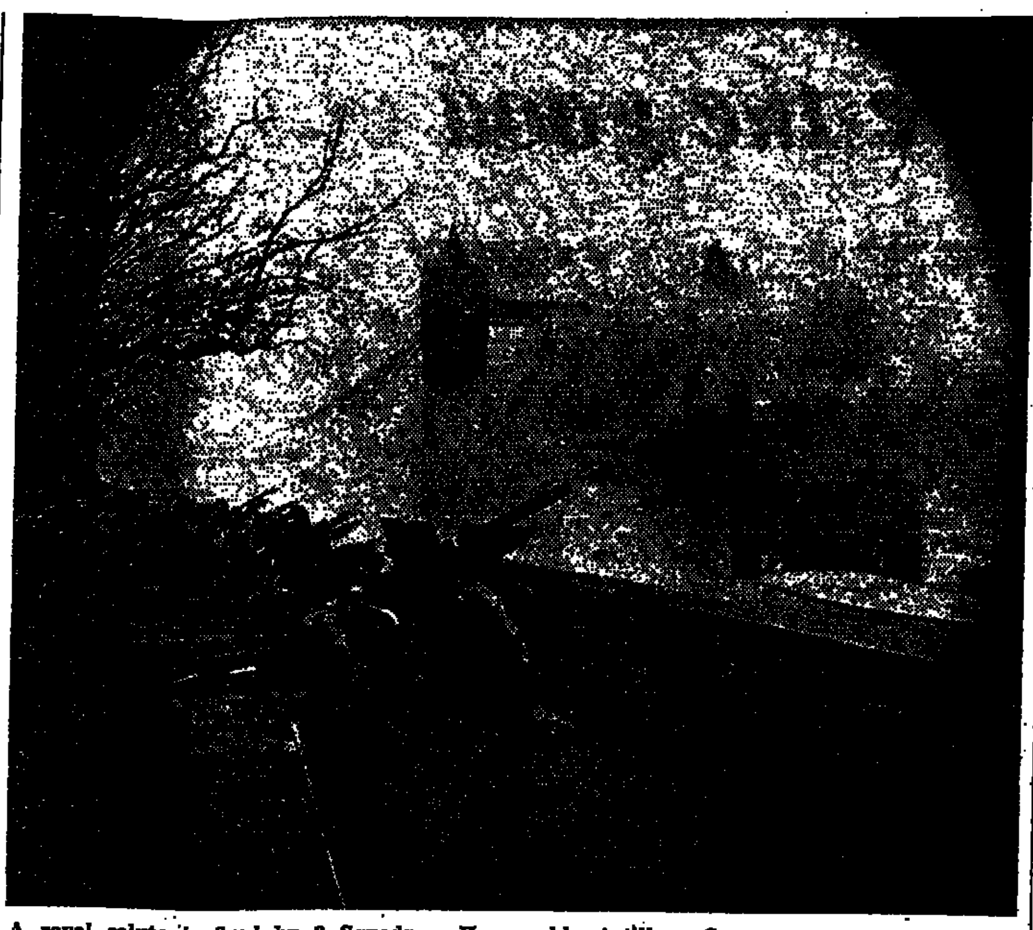
Sir Richard Smeeton, director of the SBAC, said that nationalisation was irrelevant to the industry's problems. "It is bound to cost the taxpayer money in order to acquire the present companies, whether or not the issue of Government stocks is the first step.

"How much better it would be, if there is any money to spare, to do as suggested and put it into new projects and expand the industry, rather than continuing in a state of stagnation due to political dogma inhibiting progressive action.

"The demonstrations by workers clearly show their dedication to aviation, to the superb products they manufacture, and their wish to continue the existence of an industry which has been so successful since the formation of the SBAC 60 years ago.

"The Society has consistently made the point to the Government that we need a forward plan of projects to maintain a professional and successful industry, which in 1975 earned close to £800m. in foreign exchange from exports.

"The industry should be encouraged to expand on this firm foundation and not be discouraged," Sir Richard added.



A royal salute is fired by 3 Squadron, Honourable Artillery Company, at the Tower of London. The salute was to mark yesterday's 24th anniversary of the Queen's accession

Ulster talks produce little but Loyalist denunciations

BY OUR BELFAST CORRESPONDENT

THIS WEEK'S talks between some of the parties in the Northern Ireland Convention have disclosed little except an amazing lack of urgency in getting to grips with the political deadlock.

Since the private inter-party talks began on Tuesday there has been no apparent progress. Instead, the discussions have delayed the key meeting between the majority Unionist coalition and the mainly Roman Catholic Social Democratic and Labour Party who are not now expected to face each other until late next week.

The standstill in the resumed negotiations is in sharp contrast with the increasingly frenzied speeches of the Loyalist leaders as the United Ulster Unionist Coalition continues its series of rallies to whip up opposition to Cabinet power-sharing with the SDLP and a voluntary coalition government.

Mr. Enoch Powell, Unionist MP for South Down, accused the Government last night of "arrogant, bare-faced blackmail" in its attempts to persuade the people of Northern Ireland to accept the concept of power-sharing.

"With each succeeding month it has become clearer that, as some of us had suspected from the beginning, the Constitutional Convention was never intended to ascertain what form of government in this Province would enjoy the most widespread support."

The convention was yet one more device for trapping the representatives of the majority into compromising or betraying the unswerving verdict which the majority had given year after year in elections.

Hard-line

Mr. Powell's speech at Newcastle, Co Down, was another reminder of the reality that a form of government supported by most of the people, Protestant and Roman Catholic, cannot come about while the principal parties adhere to their stated policies.

Little hope for anything except a prolonged period of direct rule has been produced by the inter-party discussions. The agreed statement issued after this week's meetings between the UUUC and some of the minority Convention parties, showed that the Loyalists were still not prepared to contemplate anything less than their demand for a return of majority rule.

With only three weeks of the Convention left, and with negotiations underway, the Loyalists have kept up their barrage of hard-line statements which has dominated the political debate since the convention report was produced in November.

Mr. Ernest Baird, a deputy leader of the coalition, said yesterday that power-sharing—whatever fanciful name it might be given—meant putting into positions of power, prestige and responsibility those who wished to see Ulster brought eventually into a united Ireland.

Bringing such men into these positions, not directly related to their electoral support, would be the antipathy of democracy.

Grocery leaders optimistic over hypermarkets

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

GROCERY LEADERS are optimistic that they have made some headway in persuading the Department of Environment to take a more relaxed attitude to development of hypermarkets.

The optimism springs from a recent meeting between representatives of the main supermarket groups involved in hypermarket development — ASDA, Carrefour, Tesco, Sainsbury and British Home Stores—and officials from the Department of the Environment, Prices and Trade, as well as representatives of the food industry's sponsoring department, the Ministry of Agriculture and Food.

At earlier meetings, supermarket leaders felt they had convinced both Mrs. Shirley Williams, Prices Secretary, and Mr. Fred Peart, Minister of Agriculture, of the cost-savings in food distribution from building such large retail outlets.

But until now, the Department of Environment and, more particularly, the local authorities involved at the early planning stages, have taken a hard line. The hypermarkets are usually situated outside established shopping areas and have a sales area of at least 50,000 square feet.

At last week's meetings, the supermarkets again put forward a paper outlining the substantial savings to the consumer resulting from lower development and running costs.

The planning authorities' attitude to hypermarkets has been the main bar to their development in this country.

While they have given the consent to large stores with new shopping centres, they have generally refused to give the go-ahead to proposals for free-standing developments outside the main shopping areas.

There are fewer than ten such stores in the country though Tesco shortly will open the largest hypermarket yet at Irlam outside Manchester.

John Lewis sales pass £300m. for first time

ESTIMATED SALES of John Lewis Partnership department stores and Waitrose supermarkets rose £55m. in the year to January 31, to pass the £300m.-mark for the first time at £307.08m.

Net profit after all expenses and charges was up 25 per cent. at £10m. Employees will receive £4.77m. of this in partnership bonus, the remainder — £1.13m. more than after 1974 — being retained for reinvestment.

The sales of the 17 department stores were below estimate in the second half, and the increase of £26m. (16 per cent.) to £185.58m. "almost certainly means a fall in sales at constant prices," the partnership says.

Waitrose sales improved by nearly £29m. (33 per cent.) to £115.96m.

Trading profit rose by 27 per cent. to £22.80m. and profit after interest on borrowings by 32 per cent. to a recrd £20m., reflecting the fall in interest rates.

Rush starts for seats on Atlantic Concorde

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A "BOOKING RUSH" for Concorde appears to have begun on both sides of the Atlantic after the U.S. Government's decision to permit a 16-month trial operation with the aircraft at Dulles Airport, Washington, and Kennedy Airport, New York.

British Airways said yesterday that the marked upsurge in bookings over the last two days, together with those already held, meant that more than 2,000 people wanted to fly on Concorde transatlantic services when they begin.

The airline is unable at present to give a precise date for the start of services, because of the need for final clearances from the Port of New York Authority and the outcome of any litigation and Congressional action against Concorde that may be taken in the U.S.

All it is able to say is that it hopes to start in May.

It cannot quote firm Concorde fares, because these are still subject to discussion with other airlines in the International Air Transport Association.

It seems likely that existing fares on the route will go up from April 1 because of rising costs, and that there may also be a special currency surcharge for flights out of the U.K. to take account of the depreciation of sterling.

On top of this, there will be the "Concorde surcharge" of 20 per cent. On precent first-class rates, this gives a Concorde return rate to Washington of about £620 and to New York of about £580.

These uncertainties do not seem to have dissuaded many U.S. and U.K. citizens from wanting to fly the aircraft. Accordingly, the airline is taking bookings—it calls them "registrations"—with the proviso that it will be able to tell those involved only at a later date when they can fly and what price they will have to pay.

Of the 2,000-plus registrations to date, more than 1,000 have come from the U.S.. The airline said: "This is a tremendous response. We are delighted. Obviously everyone cannot get on our first flight, but we are sure those people who have to wait for the second, third, or fourth will find it an experience worth waiting for."

Sri Lanka sentences ex-Governor

By Keith Lewis

A FORMER Governor-General of Sri Lanka, Sir Oliver Goonetilleke, who now lives in London, has been sentenced in Colombo to four years hard labour and fined the equivalent of £60,000 for foreign exchange violations.

Reuter also reports that Sir Oliver's son-in-law, Mr. C. Sathananthan, was sentenced to two years hard labour and fined £14,000. His wife, Sir Oliver's daughter, was sentenced to two years in prison, suspended for five years, and fined £35,000.

Under present law Sir Oliver, who is 83, cannot be extradited.

It was also announced in London yesterday that Mr. Peter Shore, the Trade Secretary, has appointed two inspectors to investigate two companies with which Sir Oliver has been connected.

Mr. Peter Julian Millett, QC, and Mr. Ian MacDonald Bowie, a chartered accountant, have been asked to investigate the affairs of Data Investments, recently described as an investment holding company (having formerly been a rubber plantation company in Malaysia) —and Vivella, another former plantation company.

Speaking from his London home last night, Sir Oliver emphasised that the two events were totally unconnected, but otherwise refused to comment. He confirmed that he was chairman of Vivella, though he believed the company "was going into liquidation." and that he had been a former director of Data, but had "resigned some time ago."

MR. F. SCHWARTZ

Mr. Frederick Schwartz, who spoke at the Financial Times conference on Euromarkets in 1976, is vice president of the Bankers Trust Company, New York, and is not associated with United International Bank as inadvertently reported yesterday.

SNOW REPORTS

	Depth (cms.) L	Depth (cms.) U	State of Piste	Weather	°C
Crans	30	75	Good	Sun	3
Saas Fee	80	85	Good	Fine	−1
Sauze d'Oulx	30	105	Good	Fog	1
Seefeld	55	110	Good	Fine	6
Val d'Isère	40	63	Good	Fair	−1
Zurs/Lech	115	170	Good	Sun	1

Above reports supplied by representatives of the Ski Club of Great Britain. Following reports from other sources:

NORWAY					
Finse	225	250	Good	—	−10
Geilo	50	80	Good	—	−15
Gol	55	68	Good	—	−14
Lillehammer	50	51	Good	—	−12
Norefjell	30	40	Good	—	−9
Oslo	25	45	Good	—	−8
Rjukan	75	100	Good	—	−3
Voss	120	140	Good	—	−17

SCOTLAND

Cairngorm: Main runs and lower slopes—all runs complete, new snow on firm base. Vertical runs 1,600 feet. Access roads slight snow. Snow level 2,000 feet.

Glenshee: Main runs—all complete, new snow on a firm base. Lower slopes: Ample nursery areas. Vertical runs 1,000 feet. Access roads slight snow. Snow level 2,000 feet.

Glencoe: Main runs—all complete, new snow. Lower slopes: Ample nursery areas. Vertical runs 1,400 feet. Access roads clear. Snow level 2,200 feet.

Forecast: Intermittent light snow. Extensive hill fog. Freezing level 2,000 feet. Wind fresh S. Outlook: Mainly dry.

Ladbroke Group buy into greyhound stadia ownership

BY MICHAEL THOMPSON-NOEL

THE LADBROKE Group's expected entry into greyhound stadia ownership materialised yesterday.

The gambling and leisure combine is buying the 48.48 per cent. stake held by Estates House Investment Trust in Totalisator and Greyhound Holdings, which owns six tracks, and is bidding 15p a share for the rest. The total cost of the deal is almost £1.141m.

Ladbroke, already the largest sponsor of greyhound racing in Britain, said last night that management of greyhound tracks would fit ideally into the group's activities in the leisure services industry.

The move was a "natural extension" of its involvement in horse race courses. It already owns Lingfield Park, Surrey, bought two years ago for about £500,000, and this winter negotiated a seven-year, £1.6m. contract with the Liverpool-based Walton Commercial Group to run Aintree racecourse and the Grand National.

Ladbroke has said that it may make an offer to buy Aintree within the next two or three years.

The six greyhound tracks involved are at Newcastle, Crayford, Gosforth, Leeds, Wolverhampton and Willenhall. Totalisators and Greyhound Holdings' turnover for the half year to last June 30 was £876,100 for a pre-tax profit of £197,200 (£157,400).

Total attendances at the six tracks for that period were 365,000—a slight fall—and the betting turnover on the dog totes was £36m.

Unlike horse race course managements, which derive no profit from on-course betting, greyhound track managements own their own totes and therefore as much gambling as leisure operations.

Ladbroke is buying Estates House Investment Trust's 3,687,200 Ordinary shares in Totalisators and Greyhound at 15p each for £553,080 in cash.

The formal offer document for the remainder of the shares should be issued as soon as possible by Morgan Grenfell for Ladbroke. A letter of notification of the planned deal has been sent to the National Greyhound Racing Club.

It would expect its experience to increase the popularity and profitability of Totalisators' dog tracks.

However, the company's growing involvement in direct dog and horse-track ownership is bound to be raised when Lord Rothchild's Royal Commission on Gambling begins its hearings later this year.

Ladbroke's ability and willingness to buy up tracks may have to be argued before the Commission as justification for increased State taxes on gambling revenues and for new or higher betting levies for sport.

Mr. Cyril Stein, Ladbroke chairman, said earlier this week that the group's plan to buy Totalisators and Greyhound was justified "purely on return and profitability."

Prentice attacks 'supine Labour Executive'

BY PHILIP RAWSTORNE

MR. REG PRENTICE, Minister for Overseas Development, yesterday attacked the "supine leadership" of the Labour Party's National Executive Committee fo rits "failure" to act against the threat of extreme Left-wing influences in the party.

In a speech to Oxford University Democratic Labour Club, Mr. Prentice said it was time that Trotskyists "who dominated the Young Socialists and the National Organisation of Labour Students" were effectively challenged.

An urgent need existed for social democratic leadership. "Most young people reject the extremes of doctrinaire socialism and stick-in-the-mud conservatism. They are not getting enough positive left-of-centre leadership."

During the last decade, a lot of idealism among young people had been channeled into groups like Oxfam and Shelter outside the party political arena.

"But too often these same people have found party politics irrelevant to the issues about which they care. There has been a general failure to recognise that none of these good causes will succeed unless the democratic process itself is revived.

"Democracy badly needs to be invigorated by a great increase of activity at the grass roots. People who believe positively in democratic values should not leave the field open to minority groups of way-out extremists.

"We must apply ourselves urgently to the job of translating ou rsocial democratic ideals into policies for the 1970s and

"This cannot be left to ministers overburdened with the day-to-day problems of government. Still less can it be left to that curious piece of antique furniture, the National Executive Committee."

Elm beetles shrug off cold snap

By Peter Bullen

FORESTRY COMMISSION scientists yesterday dashed hopes that the severe weather of the past few weeks would help curb the spread of Dutch elm disease.

The Commission's research headquarters at Alice Holt Lodge, near Farnham, Surrey, said that it did not share the popular theory that a severe winter would kill off large numbers of the beetles that spread the disease.

As native insects, the beetles would have inherited a certain degree of resistance to the climatic conditions, although Britain had enjoyed mild winters for several years.

Liberal attacks Press over Thorpe affair

BY PHILIP RAWSTORNE

PRESS TREATMENT of Mr. Jeremy Thorpe, the Liberal leader, was criticised yesterday by Mr. Stephen Ross, Liberal MP for the Isle of Wight.

He told his local party executive: "I have witnessed at first hand these past seven days the way the Press go to work in this country when they are instructed by their paymasters to destroy the credibility of a public figure and a political party. I am appalled.

"With one or two exceptions, the newspaper industry had spent thousands of pounds in 'trying to make innocent people and friendly actions appear crafty and deceitful.'

"By blatantly slanted reporting, slur and innuendo they set about their task of character assassination caring not who they trample on in the process."

Some of the proprietors and editors of "these daily distortions" should look at themselves in their mirror and reflect upon what they were doing, said Mr. Ross.

"The public can help in the process of a speedy return to integrity in daily reporting by refusing to buy the more offensive productions of what has become a tainted profession," he added.

APPOINTMENTS

Lloyd's Brokers' Assn. chairman

Mr. P. N. Miller, of Thos. R. Miller and Son (Insurance), has been elected chairman of LLOYD'S INSURANCE BROKERS' ASSOCIATION. Mr. A. Parry (Sedgwick Forbes) and Mr. H. V. White-Smith (Willis Faber and Dumas) become joint deputy chairmen of the Association.

*

Dr. Larry Frost has joined the Board of MATTHEW HALL ENGINEERING after over two years as senior venture manager with the Offshore Supplies Office. Apart from his duties as a director, Dr. Frost will be concerned with the development of the company's offshore activities.

*

Mr. A. V. Caddick has been appointed senior general manager of GUARDIAN ROYAL EXCHANGE ASSURANCE and Mr. E. P. Greenfield becomes general manager, group development. Mr. P. R. Dugdale, at present president of Guardian Insurance Company of Canada, is to be general manager, overseas, at a date to be announced. Until that time Mr. Caddick will continue to control the overseas division. Mr. G. Alexander, while continuing as president of the Montreal Life Insurance Company, has been appointed to succeed Mr. Dugdale as president of Guardian Insurance Company of Canada. Mr. G. L. Williams, general manager, home, will remain in charge of the U.K. insurance operations.

*

Mr. K. J. Ashley has been appointed financial director of SAMUEL HODGE GROUP and has joined the Boards of Samuel Hodge and Sons, E. Wood, Vic Pyrate and Hodge Pipework following the recent retirement of Mr. R. J. Allen.

*

Mr. Miguel Jardim has been appointed an executive director of P. S. REFSON AND CO. Until last month Mr. Jardim was London representative of Banco Nacional Ultramarino and Sociedade Financeira Portugesa. He will retain his post as chairman of the management committee of the Portuguese National Tourist Office.

*

Mr. Charles Fornara, who has joined the Board of the BERKELEY HOTEL COMPANY, has been general manager of the Berkeley Hotel since 1955.

Welcome for unborn children injury Bill

BY JOHN HUNT

A PRIVATE Member's Bill which strengthens the right of parents to claim damages for injuries inflicted on their children before birth was given an unopposed Second Reading in the Commons yesterday.

The Bill, which comes in the wake of the thalidomide tragedy, implements the 1974 report of the Law Commission which recommended that a child should have the legal right to compensation for pre-natal injury where there was a liability in Common Law for the act or omission which caused the injury.

Moving the measure—the Congenital Disabilities (Civil Liability) Bill—Mr. Ray Carter (Lab. Northfield) said that the thalidomide tragedy had found society totally unprepared. The "dubious" state of the law meant that it was difficult to determine liability because the rights of an unborn child were extremely vague.

He denied that the Bill would put a brake on new developments in drug manufacture, but agreed that there was ample evidence of children being born with deformities due to faulty processes and products.

Mr. Alfred Morris, Parliamentary Under-Secretary of State for the Disabled, said the Government supported the measure. But he warned that parents should not be misled into thinking that it would provide compensation for all children who were born handicapped.

The measure also provides for compensation for a child injured by nuclear radiation before birth. In addition, it stipulates that a pregnant woman driving a vehicle has the same duty to care for the safety of her unborn child as she has for other people on the road.

MPs' trips abroad cost more

By John Hunt

FIGURES RELEASED by Mr. Edward Short, Leader of the Commons, yesterday, show a steep rise in the cost to the taxpayer resulting from visits abroad by MPs on behalf of Select Committees.

In the year 1974-75, 30 went abroad to four countries at a total cost of £10,997. In the year 1975-76, 66 went to 26 countries at a cost to date of £51,585 with a further £30,000 in bills yet to be settled.

In addition, 50 MPs went on European delegations at a cost of £75,052 compared with £57,461 the previous year. But the cost of presentations to other legislatures went down from £3,110 to £1,141.

OVERSEAS NEWS

EY TO INVESTIGATE LOCKHEED PAYMENTS

Major political row threatened in Japan

ARLES SMITH, FAR EAST EDITOR

TOKYO, Feb. 6.

ELATIONS in the U.S. the payment of some allegedly illegitimate to Japanese public connection with air- are threatening to a major political row possibly influencing ne of a General Elec- ter this year.

elations have caused barrassment to the eral Democratic Party eir main target, Mr. dama, is an extra party f several LDP leaders a former Prime Mr. Kishi.

very least the bribery disrupt the course of rrent Diet session at mportant legislation the budget and the of the nuclear Non- on Treaty are due to ed.

jor opposition parties, Socialist Party and unists, started plans wn enquiries into the Lockheed scandal to-day. The JSP are to send its own enquiry mission to Washington while the JCP will be making the utmost of the Lockheed issue in the Diet where the Communists themselves had recently been under fire in connection with a pre-war criminal case involving a party leader.

The Foreign Minister, Mr. Kiichi Miyazawa, stated publicly to-day that no action would be taken on the Government side pending more details of the Lockheed revelations, but the Government does not seem likely to be able to ignore the case for long.

Mr. Kodama himself was still uncontactable to-day. But Marubeni Corporation the major trading concern which was said to have received over $3m. from Lockheed has continued to defend itself against allegations of receiving bribes. The company claims that payments received were normal commission payments. A receipt bearing the words "I received 100 peanuts" which was signed by the Marubeni managing director in 1973 has been accepted as genuine. But Marubeni says that it has no idea what the significance of the document is. The director in question stated that he was asked to sign the document by Lockheed's Tokyo office and accepted the explanation that it was needed by the company for internal "records."

Japanese Press inquiries into the background of various Lockheed aircraft sales have come up with the news that All Nippon Airways, the airline which bought Lockheed TriStars in November 1972, was previously close to buying McDonnell Douglas aircraft but "changed its mind" after a change of president. ANA said to-day that Mitsui and Co., the agent for Douglas in Japan, actually got as far as signing a contract with Douglas for three DC-10s, but ANA itself never signed a contract with Mitsui.

Japanese commentators have been pointing out that the 1972 TriStar deal followed soon after a summit meeting between Japan's then Prime Minister Mr. Kakuei Tanaka and former President Nixon and almost certainly reflected efforts by the politicians to find ways of evening out the heavy trade surplus which Japan was at that time running with the U.S. This interpretation of the TriStar deal would tend to make accusations of bribery sound irrelevant, but this is no reason why money should not have changed hands as well.

● The Government will open an enquiry into allegations that Lockheed Aircraft spent hundreds of thousands of dollars in bribes in Turkey, Justice Minister Ismail Muftuogly said to-day.

"The assertions are considered the necessary information to open an investigation into the matter," he said. A payment of $876,000 was allegedly made to Nezih Dural, the Lockheed representative in Turkey, to be used for "gifts" to third parties.

Dural denied this yesterday. UPI

Franjieh in Damascus to-day

By Ihsan Hijazi

BEIRUT, Feb. 6.

AN agreement to end the 16-month-old Lebanese crisis has set the stage for the visit to Damascus to-morrow by President Suleiman Franjieh for his long awaited summit conference with President Hafez al Assad, according to informed sources.

Mr. Abdel Halim Khaddam, the Syrian Foreign Minister and head of the mediation team, declared before returning to Damascus last night that the two Heads of State "have reached agreement on a complete political settlement of all aspects of the Lebanese crisis."

Mr. Khaddam has thus indicated that the termination of the crisis which broke out in April last year, and has claimed the lives of about 12,000 people, inflicted damages and losses estimated at £L12bn. (about £5bn.) and left the entire country in a state of disintregration is at hand.

The agreement is expected to be proclaimed after President Franjieh returns home after his trip to Damascus, which is expected to last only 24 hours.

Reforms to be implemented as part of the settlement include the sharing of Parliamentary seats equally by Moslems and Christians to replace the present formula of six Christian seats to five Moslem. In return, the Presidency of the republic will be kept for the Christian Maronite community.

This issue is understood to have held up the agreement. The Christians insisted on a written text preferrably added to the Constitution assigning the Presidency to the Maronites. The request was rejected by the Moslem leaders, who said they would be ready to go along with the unwritten tradition that has kept the Presidency in Maronite hands.

Hanover blow to Bonn coalition

BY ADRIAN DICKS

BONN, Feb. 6.

THE RULING Social Democratic-Free Democratic coalition in Bonn suffered a heavy blow to-day, when defectors from its ranks in Hanover used their votes in the State assembly to bring a Christian Democratic premier, Dr. Ernst Albrecht, to power.

In a repetiiton of an earlier vote three weeks ago by the State assembly, three coalition deputies—so far anonymous—threw their support to the Opposition. In doing so, they have raised in the most dramatic way possible doubts about the future of the national coalition in Bonn, just as it gets into stride for the general election in October.

Dr. Albrecht defeated the SPD Federal Housing and Public Works Minister, Dr. Karl Ravens, by 79 votes to 75. Dr. Ravens had been somewhat reluctantly drafted into the Hanover battle only two weeks ago by Chancellor Helmut Schmidt, with the agreement of the FDP leader, Herr Hans-Dietrich Genscher. Both national leaders had indicated that they saw the preservation of coalition unity in Lower Saxony as a high priority.

Now that it has broken up, there will be intense speculation about potential weak spots elsewhere. The SPD can be relied on to watch closely whether the FDP succumbs to CDU blandishments to form a new coalition with Dr. Albrecht, or whether as Herr Genscher has proposed, it confines itself to "constructive opposition" that would allow the CDU government in Hanover to function.

The bait for the FDP, particularly attractive to Herr Genscher in his role as German Foreign Minister, is the CDU's attitude towards the controversial Polish treaties. Dr. Albrecht's victory gives him five votes in the Bundesrat, the Federal upper house, which must approve the treaties before they can be formally ratified.

Thus the CDU, which now has a 26-15 majority in the Bundesrat, has a key element of the coalition's foreign policy in its grasp. While it cannot yet be said with certainty that the party leaders will block the treaties, their approval would undoubtedly be conditional and would require a high political price.

Meanwhile, the CDU leader, Dr. Helmut Kohl, is naturally cock-a-hoop at the Hanover result, and can be expected to use it to give further momentum to a campaign already helped considerably by the opinion polls' finding that he has reduced Herr Schmidt's lead.

Brandt to stand in first direct elections to European Parliament

BY ROBIN REEVES

BRUSSELS, Feb. 6.

HERR WILLY BRANDT, the former West German Chancellor, intends to stand as a candidate in the first direct elections to the European Parliament planned for May-June 1978.

Announcing what is a major boost to the prestige of the Strasbourg Parliament, Herr Brandt told the second day of the Congress of Europe here that he hoped his decision would serve as an example, and called on all his "friends who have worked to construct Europe" to stand as candidates as well.

The West German statesman said that the directly elected Parliament should provide a basis for a future European Government. It should act as a constituent assembly and have more power than just the right to initiate draft policies for submission to the Council of Ministers — as recommended in the Tindemans Report.

"The Parliament must be the voice of Europe. It has the task to establish more clearly the European identity and fight for such competences as are necessary to create a European Government," he declared.

Herr Brandt was in no doubt that this was what the people of Europe wanted. "Each opinion poll shows that the Europe of the citizens is in advance of a Europe so far created by governments," he said. Turning to the controversy over a two-tier or two-speed Community which he first raised in October 1974 and which also appears in the Tindemans recommendations, Herr Brandt said, "Realistic differentiation, when based on solidarity, can help us to progress."

But he told a Press conference later that he was tired of being misinterpreted on this point, particularly by the British.

If creation of the EEC's currency "snake" had waited until every Community member was ready, there would now be nothing to build upon. He thought a new target date for economic and monetary union should be set. Some countries would not be able to meet the target deadline, but they would have an objective to aim at.

Among other speakers, Mr. Dickson Mabon, MP, chairman of the Labour Committee for Europe, stressed that a division of constituencies for a directly elected European Parliament which gave only two seats to Northern Ireland and six seats to Scotland—the same number as for Luxembourg with a population the size of Dundee—was totally unacceptable. The people of Britain could not accept this unfairness. "We are not prepared to be second-class Europeans," he added.

M. Francois Mitterand, the French Socialist leader, attacked the Tindemans report for the absence of any proposals for dealing with inflation, unemployment and the role of multinational companies.

For the British Conservatives, Mr. Douglas Hurd, MP, called for European embassies to be established abroad so as to emphasise the move to a single European foreign policy. On direct elections, he said these presented practical problems but, he believed, when the race started Britain would be at the starting-post.

A discordant note at the Congress was struck this afternoon when the young European Federalists Movement threatened to vote against the adoption of a draft declaration submitted to the meeting by the European Movement. They threatened to do so if a series of fundamental amendments to the text, which wholly endorses the Tindemans recommendations, were not debated.

FULL British support for Greece's application for Common Market membership was made clear by the Foreign Secretary, Mr. James Callaghan when the Greek Ambassador, Mr. Stavros Roussos, paid a call on him yesterday. Mr. Callaghan has sided with Greek objections to the recent EEC Commission recommendation that Greece should first undergo a lengthy, though unspecified, pre-accession period, our foreign staff writes. The Foreign Secretary is expected to press this view at the EEC Council of Ministers meeting in Brussels on Monday.

Franco-Somali relations still strained

BY ROBERT MAUTHNER

PARIS, Feb. 6.

RELATIONS between France and Somalia remained strained to-day with each country claiming that the other was responsible for the shooting incident on the Djibouti-Somalia border three days ago, in which one kidnapped French school child and several Somalis were killed.

An attempt has been made by France, which yesterday sent 800 troops to reinforce its garrison in Djibouti, to take the heat out of the situation, at least on the diplomatic level, by withdrawing its complaint to the UN Security Council. The Somalis too, have made a gesture by promising to return another French schoolboy who disappeared after French sharpshooters had killed six Somali-based Djibouti separatists responsible for hijacking a bus, carrying 30 children of French military families.

These moves, however, have not prevented the Somalis, who claim that six of their frontier policemen and 17 civilians lost their lives in the exchange of fire across the border, from accusing the French of "barbarous aggression."

In a long statement to the Paris evening paper Le Monde to-day the Somali Ambassador in Paris, M. Samantar, said his government would claim damages from the French Government for the Somalis who had been killed in the incident.

As far as the future of Djibouti was concerned, the ambassador maintained that Somalia had no territorial claims on the French territory on condition that is was granted full independence and that the local population could express its will democratically. In this context, he said that the Somali Government had advised the legal opposition party in Djibouti, the African Popular League for Independence (LPAI) to negotiate the independence of the territory with France, and to avoid bloodshed.

Rhone-Poulenc announces £88m. loss

BY RUPERT CORNWELL

PARIS, Feb. 6.

RHONE-POULENC, the world's ninth largest chemical company, to-night set the seal on the worst year in its history by announcing a provisional 1975 loss of Frs.800m. (£88m.).

But for the counting of deferred tax credits, the deficit would have reached Frs.1.3bn. (£140m.) compared with a 1974 consolidated profit of Frs.1bn.

The reversal in the French group's fortune is mainly due to the recession. This has hurt the chemical industry everywhere, but in particular companies like Rhone-Poulenc which are most dependant on vulnerable sectors like textiles and petro-chemicals.

Matters, however, have been made worse by Board room turmoil in 1975, which saw three members of the company's key eight-man executive committee leave without replacement. Sales last year dropped by 13 per cent. in money terms to Frs. 17.7bn. (£1.9bn.). Gross operating profit barely made a dent in depreciation and other fixed charges of Frs.1.3bn., which accordingly had to be financed by borrowing.

Total group indebtedness—most of it admittedly medium and long-term—jumped to Frs.6bn. at the end of 1975 from just over Frs.4bn. 12 months before, and grave doubts surround the dividend which is due to be fixed next month.

A Rhone-Poulenc spokesman to-day again emphasised that the group's liquidity position was "entirely sound" and denied the lurid rumours which periodically sweep the Paris financial community.

In particular, he dismissed reports that Rhone-Poulenc was preparing to sell all, or part, of its prosperous pharmaceutical division, either to the French Government or to a German competitor, to raise needed cash.

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Hawkins

SALISBURY, Feb. 6.

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'comfortable'

China visit

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SATURDAY, FEBRUARY 7, 1976

The burden of borrowing

WITH A further half point drop in the Minimum Lending Rate, it might be thought that the Government is still in the middle of a large and rapid downward adjustment in the cost of credit; but the simultaneous issue yesterday of a new long tap stock, and the authorities' dealing tactic in the bill market both strongly suggest that the adjustment is in fact over for the time being. It has been exceptionally rapid because of an almost embarrassing success in selling Government stock while rates were falling and capital values correspondingly rising: the Government is rightly anxious to avoid overdoing it, for while lower interest rates must assist a recovery both in markets and in the economy, the process of lowering them can quite easily drain all the available cash in the system into the Government's hands.

At first sight it is surprising that the Government should feel it right to ease up in its own borrowing operations, since the Consolidated Fund figures for the past two months, showing outlays more than twice as high as two years ago, and far ahead of the growth of revenue, suggest on the face of it that the borrowing requirement is growing as fast as the Government's ability to borrow. In fact, however, the actions of the authorities are probably of more help in interpreting the figures than the figures are in explaining what the authorities are doing. The Government's cash outlays from month to month can vary by several hundred million pounds due to the operations of chance and bunching: since the authorities have clearly been anxious to end the bull market in gilts for the time being, it is highly unlikely that they believe that the Consolidated Fund outlays for the past two months are as forbidding as they look.

Formidable

If the Treasury's implied belief that it now has public expenditure under control is borne out in the coming weeks—something we will not fully know until Budget Day—then some of the essential preconditions for a recovery have been met. The recovery in business confidence reported by the CBI confirms a widespread belief that things are at last on the mend. However, to echo a phrase from the CBI's report, euphoria would be decidedly premature. The problems which remain are formidable.

The size of the public sector borrowing requirement, which appeared such a nightmare earlier this year, no longer looks so formidable. In two senses, the figures exaggerate the facts. First, the unchanged borrowing requirement which Mr. Healey put forward in his letter of application to the International Monetary Fund represents in fact a very sharp reduction in real terms. Second, the growing share of public expenditure taken by debt interest also represents a fall in the excess of "real" expenditure over revenue. Since many holders of Government stock routinely reinvest a sizeable proportion of the interest, it also means that the borrowing requirement becomes less difficult to finance.

Real problems

When all allowances are made, however, large financial and real problems remain. In financial terms, the danger is this: it is very easy, as we have seen, to sell unprecedented quantities of Government stock in the trough of a recession, when there is little competition for funds; but as the economy revives, competition will grow. There may then be a danger of a rise in interest rates as sudden as the recent fall has been, hampering the recovery. Equally in real terms there is little doubt that the huge size of the Government's deficit is at present necessary to prevent the recession becoming still deeper; but as the private sector becomes more willing to increase its spending out of any given income, the deficit will need to be reduced.

It is for this reason that we have repeatedly argued, and urge again, that the present volume of public expenditure may hamper recovery, even assuming that it has been brought under control and that its growth will in future be checked. If expenditure and taxes were both lower, there would be no such danger: the deficit could readily be reduced at any time by use of the usual fiscal regulators. The Government is now rightly anxious to reduce the oppressive burden of taxes; but only the spending White Paper will show whether it has yet taken the hard decisions which will make it possible to do this on more than a very temporary basis. The markets and the tax burden tell the same story: the sheer weight of the public sector remains the biggest obstacle to a solid private sector recovery.

Guy de Jonquieres in New York and John Wyles in London chart the rise and fall of Maritime Fruit Carriers and examine the impact of its current financial crisis on a U.K. shipbuilding industry heavily dependent on its orders and a British government which faces some unenviable choices

Captain Mila Brener (left) and Mr. Yaacov Meridor, Maritime Fruit Carriers' founders, former joint managing directors: both resigned last week-end.

Waves across the Atlantic

THREE YEARS AGO, the U.S.-Israeli shipping concern Maritime Fruit Carriers was riding high on the crest of a wave which seemed destined to carry it forward to boundless horizons of growth and prosperity. It had just reported that its net income had doubled in 12 months, its shares were selling at a record price, and it was engaged in a major expansion of its fleet—much of it through new construction orders placed with British shipyards.

The company had risen from nowhere in ten years thanks to the efforts of its two Israeli managing directors, Captain Mila Brener and Mr. Yaacov Meridor. They exuded an aura of mystery combined with flamboyance which seemed only to enhance their reputation as wizards of the world shipping scene. Their toughness and astuteness was legendary: Among other things, Captain Brener was rumoured to be the mastermind behind the 1969 "kidnapping" from Cherbourg Harbour of five new Israeli gunboats which France was refusing to deliver.

Vanished glamour

To-day, all the glamour has vanished, and MFC presents a sorry picture. The slump in charter rates since late 1973 has shattered the assumption of a continuing boom on which the company's future was based and left it saddled with costly tanker commitments. It is burdened with huge indebtedness part of which it is unable to service properly.

Messrs. Brener and Meridor have been ousted from the management, victims of a major shake-up, and the unenviable task of trying to set MFC on an even keel has fallen to Mr. H. Struve Hensel, a distinguished 74-year old New York lawyer. Since he was appointed managing director a week ago, Mr. Hensel has thrown himself into strenuous efforts to assemble an emergency financing package that will ward off the threat of insolvency.

Last Wednesday, Mr. Hensel disclosed that the company was in default on payments of \$23.5m. due to its banks and institutional creditors on debts of \$88m. Some of these creditors are pressing for immediate repayment of principal, and the company is also being harassed by suppliers for settlement of about \$15m. that is past due.

Mr. Hensel maintains that MFC's primary problem is an immediate cash shortage which can be remedied with the co-operation of its creditors. But in view of the charter market's poor prospects it remains highly uncertain whether MFC will be able to take delivery of all the vessels it now has on order — or whether it will be permitted to by its banks.

The implications for U.K. shipyards are extremely serious. MFC's orders with Swan Hunter, Scott Lithgow and Harland and Wolff represent a third of the industry's current order book. In addition, the Government has an even more direct interest in MFC's future. It is providing direct financing and has pledged mortgage guarantees for the orders, which may amount altogether to as much as \$284m.

Even if the orders are saved, there may be serious problems. Some of the ships on order are badly behind schedule and if there is a serious slippage in deliveries, charters that have been lined up for them may be voided. For instance, three 330,000-ton Very Large Crude Carriers which Harland and Wolff was originally due to deliver by 1977 are still only at the design stage. Two of these vessels are under charter to Coastal States Gas, which also has a 50 per cent. interest in them.

Under a tentative agreement reached last August—which has yet to be publicly confirmed—MFC undertook to reduce substantially the charter rate on the two Harland ships and to assume responsibility from Coastal States for finding \$12m. in down payments on them. Furthermore, MFC agreed to reimburse Coastal States for any losses the latter company incurred by chartering out the vessels below the charter rates it agreed to pay.

The core of MFC's past success, and of its hopes for a future recovery, lies in the fleet of 40 refrigerated vessels (27 of which it owns) which it has chartered out to Salen Reefer Services of Sweden. According to Mr. Meridor, these vessels were commissioned at an average contract price of a mere 11 cents per cubic foot during the 1960s, before construction costs suddenly soared to around 50 cents per cubic foot.

By timing its orders to coincide with slack periods at shipyards, MFC was able for a while to repeat its success with the reefers in the tanker market. The company became an active trader in contracts for vessels which it had under construction, and in 1974 it reported that gains (before deduction of costs) on such business totalled \$50.4m., one third of its gross revenues. But last year this business turned poor, and during the first nine months it gave rise to a \$3m. loss.

At present, MFC also owns or operates six tankers, only one of which on long-term charter, which are a source of sizeable losses. But the reefers, which brought in gross revenues of \$69.6m. in 1974, are said to remain profitable. Furthermore, the substantial appreciation in their value since they were built has provided MFC with collateral against which it has borrowed heavily. MFC's balance-sheet at the end of 1974—the latest available—shows total indebtedness equal to four times shareholders' equity. According to documents filed by MFC with the Securites and Exchange Commission in the spring of 1975, MFC has raised substantial amounts in mortgages on reefers for purposes not directly connected with the operations of the fleet.

Complicated scheme

In one instance, MFC raised mortgages of an unspecified sum on certain of its reefers as security against chartering arrangements made for three 265,000-ton tankers being built by Bethlehem Steel. This security was required as part of a complicated scheme whereby MFC has guaranteed First National Boston Corporation, the owner of the contracts, that it will provide a minimum amount of sub-charter hire for six years.

In addition, according to the SEC documents, the agreement includes specific further conditions for minimum charter arrangements which, it not met, could require MFC to provide additional cash or collateral. Thus, if MFC's sub-chartering plans were to become unravelled it could be forced to sell off some of its reefer ships to meet its commitments to First National Boston.

Another mortgage of about \$40m. was also outstanding against the reefer ships last spring as collateral against the sale of future depreciation benefits on vessels being built in Britain. This sale, to a group of unidentified investors in need of U.K. tax losses, is, however, conditional on a preliminary opinion given by the British tax authorities.

If that opinion were to be reversed, Maritime Fruit would be obliged to reimburse the investors for the \$40m. raised through the sale. A further uncertainty about the arrangement is that it assumed that the vessels in question would be delivered on schedule: lengthy delays could reduce the amount of depreciation available and, presumably, precipitate demands for compensation by the investors.

The full story of how the British shipbuilding industry has come to be so dependent on the continuing health of one company which has proved to have so vulnerable a financial base may never be revealed. The complex and confidential web of behind-the-scenes relationships between shipbuilders, ship owners, their banks, and the Goverment and its agents, the Ship Mortgage Finance Company, all conspire to cloud the picture.

That the Government could consider guaranteeing up to \$281m. in finance for such a highly geared company as MFC whose commercial strategy was partly based on the speculative ordering of ships is less surprising than it might appear, however, in the context of 1972 and 1973 when the seeds of the present crisis were sown. MFC may have been something of a newcomer to the ship-owning world, but three and four years ago even highly respected members of the world shipping establishment were afflicted by the speculative contagion that seemed to grip the industry. In a short 15-month period a sort of collective hysteria, analogous to the property boom in the U.K., gripped large sections of the shipping industry. Tankers, it was agreed, were the thing to be in, and many of the world's major shipyards were inundated with orders for a massive volume of tonnage which still accounts for a substantial proportion of their forward order books.

Making the same assumptions

Shipping had, of course, always had its speculative elements. But whereas in the past the norm was to order a new ship only when its employment could be guaranteed, hundreds of new tankers were ordered world-wide without any firm prospect that they could be operated profitably. In setting up Swan Maritime with Swan Hunter and placing orders for 26 ships with the North East company, and in ordering six large tankers from Harland and Wolff (three of these were later cancelled) and two others from Scott Lithgow, MFC was clearly making the same assumptions as the rest of the shipping industry. Oil consumption would continue to grow at 7 per cent. a year or more, the world economic boom would continue indefinitely, and banking credit would be freely available. In late 1973 OPEC's actions destroyed each of these assumptions.

While retaining ownership of perhaps one or two ships, MFC's strategy appears to have been based on plans to sell the vast majority of the 26 orders at Swan Hunter and the others at British yards even before the ships left the slipway. The company was, in 1972, no stranger to the British scene. Two years earlier, it had taken full advantage of the investment grants available at that time to order eight refrigerated ships from Swan Hunter. By 1972, British shipbuilding appeared, as now, to be deeply in the doldrums with a short order book. MFC's readiness to place upwards of £600m.-worth of business was a windfall welcome to both shipyards and the Government.

Notwithstanding all this, however, a questionmark must be placed against the commercial and political judgment behind the British Government's exposure on loans and guarantees to MFC. If, as seems [...] there was a failure of judg[ment] then the penalties may be [...] With the dearth of new [orders] likely to continue into the [fore]seeable future, cancellation [by] MFC of its Harland and [Wolff] orders would leave the Government with a choice of [...] closing the Belfast yard [in] 1977 or building ships on [its] own account.

The Government may [be] faced with a similar prospect [on] Tyneside because of [Swan] Hunter's fateful involvement while at Scott Lithgow, [...] work on two MFC tankers [is] actually under way, the Government could find itself the [reluc]tant owner of two Very L[arge] Crude Carriers if the company's new management decide[s] against taking delivery.

Much more worrying

Much more worrying [...] the Government's point of [view] however, must be the po[litical] implications of the deci[sions] that have to be made. St[ate] of shipbuilding world wide [and] the U.K.'s position in it sug[gest] that over-capacity in the [in]dustry is greater, and likely [to] be more long lasting, than in [the] motor industry. As with Bri[tish] Leyland and Chrysler U.K. [the] Government is again facing [the] problem of balancing the [pro]visions of finance for [a] depressed and probably de[clin]ing industry against the th[reat] of unemployment in politi[cally] sensitive areas — in shipbuild[ing]'s case, the North[-East], Northern Ireland, and Scot[land]. How it strikes this balance [will] be measured again against [its] proclaimed industrial str[ategy] of more selective assistance.

Looking at U.K. shipbuilding and its dependence on MFC [on] the one hand, the fact that [the] Government is already com[mitted] to nationalising [the] industry may make it [...] difficult for it to be ref[using] support particularly at a ti[me] of heavy unemployment. [The] only consolation this time, per[haps], is that there is no im[mediate] deadline. Swan Hunter still has naval orders on hand so the decisions will not have to be taken for some time.

Letters to the Editor

Rate support grant

From The Chairman, City of Westminster Chamber of Commerce

Sir,—I am grateful to Sir Lou Sherman (February 3) for his understanding of my fears and misgivings; the subject of rate equalisation is indeed a complex one but the interests of neither accuracy nor clarity are served by his combining the effects of the equalisation scheme and the rate support grant.

The rate support grant is a payment made by the Government. The London Boroughs Association and the Greater London Council are to be congratulated on the success of their efforts to increase the proportion of this payment coming to London. (I see that from the resulting extra £102m. Westminster will benefit by £100,000 and the City of London will lose by £3m.) *The equalisation scheme* is financed not by Government but by the ratepayers of the the inner London boroughs who contribute the equivalent of a 5p rate.

Sir Lou Sherman assures me that the LBA does have a realistic appreciation of the capital's economic life but in the absence of actual evidence the assurance is insufficient. The facts are that individual businesses in Westminster are each contributing hundreds of pounds for the benefit of the outer London boroughs. These businesses will receive very little extra relief from the rate support grant. Sir Lou Sherman must know that it is on them that our economic life depends.

As chairman of the City of Westminster Chamber of Commerce I am, of course, only properly concerned with the effects of the LBA's decision on the City of Westminster itself. Sir Malby Crofton's letter (February 2) indicates that the present system of allocating rate support grant is not considered entirely adequate by all those who are directly involved. To someone "outside local government financial circles" Sir Malby's arguments and his suggested alternative system appear so constructive and reasonable that one must hope they will be given the most serious consideration.

Robert Stevens,
Mitre House,
177, Regent Street, W.1.

Low distribution

From Mr. W. Simpson

Sir,—Prof. Eilon's demonstration (February 3) that, on current high-earnings figures, the division of all earnings over £10,000 per annum would only provide £387m. or £15 per head per annum if distributed among our 25m. "working people" omits an important adjustment: with a £10,000 income one is already paying tax at the 60 per cent. rate and on Mr. Eilon's figures less than 30 per cent. of the £387m. is available for division. If the Treasury did not get its 70 per cent. share in the process of division it would have to get it from the 25m. somehow or other and the effective share-out would work out at about £5 per head.

W. J. Simpson.
18 Wallgrave Road, S.W.

An informed nation

From Mr. P. Franklin.

Sir,—While in broad agreement with views expressed by your correspondents in to-day's Financial Times, other than Mr. Hollis, all surely overlook two essential points. Firstly, to understand the nature and processes of our capitalist system is a quite different matter from approving them, or the system itself. Secondly, and possibly more importantly, mass approval of this system will not be achieved merely by an intellectual appreciation or understanding of it, but rather by its *results*.

Only if the system is *seen* to be economically efficient and socially just, accountable to employees and customers as well as shareholders and Government, will the present fundamental questions regarding the adequacy of our allocative system be satisfactorily met. That the present condition of the economy, and the mix between Government and private industry, not to mention the increased and increasing effects of intervention by the State on the behaviour of the private sector, is apparently less than optimal—whatever one's political views—is a statement of fact and not of philosophy.

Accordingly, and as I have said before, only when all three parts of the system—labour, capital and Government—start working in concert will the system achieve laudable results and the intellectual propaganda justifying the existence of capital, and the system built round it, become unnecessary for the sorts of reasons implied by your other correspondents.

Peter J. Franklin,
Senior Lecturer in Economics,
City of London Polytechnic.
School of Business Studies,
84, Moorgate,
London, E.C.2.

Salesmen

From Mr. J. Brodrick

Sir,—Our experience in recent years suggests that U.K. Salesmen are used very wastefully. We receive an astonishing number of "cold" calls from representatives whose products are of no relevance to us and who do not even take the precaution of a prior phone call to establish the need for a visit.

We also have to resist quite strongly, proposals for sales visits where no clear interest of ours, or of the suppliers, will be served by a visit; for example, merely to hand over information which could be posted. One can only assume that these poor fellows are looking for something to do.

Of course, it is impossible to avoid some waste of effort in selling: it is not always possible to fill every day with useful calls and, once in an area, it costs little more to call on adjacent prospects. But at costs now approaching £15 per call a reappraisal of the relationship between sales calls and other media for customer contact and information—phone, telex, mail, advertising and travelling exhibitions—is clearly necessary. Also one must question the apparent preference of U.K. firms to employ their own salesmen rather than use regional representative firms as is more common in Germany and France.

John Brodrick.
Crosslink International.
13 Cunningham Hill Road,
St. Albans, Herts.

Selby mine

From Mr. M. Vassie.

Sir,—As the date for a decision on the Selby mine approaches, the point made so clearly by the TV programme "Horizon" (February 2) is that the estimated demand for electricity, on which the Coal Board's case was based, is now outdated and discredited. Price increases have forced users to "switch something off" and, more importantly, to invest in controls and insulation to reduce wasteful use. It will be years before the country will be consuming electricity as carelessly as it did in 1973. Indeed, we may never do so again. We do not need the extra electricity and we will not need to burn through our coal resources at the rate the Coal Board forecast we would.

The proposed development of the Selby coalfield is based on a premise that no longer holds good. In the absence of a high and rapidly growing demand for electricity there is no justification for high speed extraction of coal, and no case for huge capital investment in equipment and layouts designed to shift huge tonnages in the shortest possible time. The whole concept of the Selby mine is now invalid and must be changed.

Even in a case of pressing national need it was unthinkable that social and environmental requirements should be dismissed as contemptuously as the Coal Board proposed. Since it is now clear that there is no pressing national need for coal—rather that the mine is to be developed in the hope that a demand will materialise—any justification for cutting any social and environmental corners is totally removed.

If the NCB is granted permission, it will have all the time in the world to develop this mine. The Government—and ultimately the public—must insist that social and environmental concerns are put at the head of the list of priorities. It is very probable that the technology, which will be developed, of planning and operating a deep mine in such a way as to cause no harmful disturbance to the communities and countryside above, will be a far more saleable commodity in the future, than the coal.

As the population of the world grows the problems of mining without lowering the quality of life for the communities situated above the coalfields will become increasingly pressing and increasingly complex. The development of the Selby mine, a virgin coalfield beneath a rural, non-mining area, gives the Government and the Coal Board a unique opportunity to develop techniques of environmental protection and social enhancement, which every country in the world will wish to study and imitate.

Maurice Vassie.
Escrick and Deighton Residents' Association,
Hellings,
Main Street,
Escrick,
York.

Suppliers

From the Managing Director, Expediting and Progress.

Sir,—Your Industrial Correspondent's article (February 3) on the problems facing engineering when the upturn arrives, makes gloomy reading for the industry. Surely something has been learned from the many past cycles and we shall not again get ourselves into an overload situation, bemoaning shortages of skilled labour, materials and working capital.

Many people would agree with you that there is adequate capacity and it is other areas of productivity that need attention. During the last boom any works accountant would have told you that work in progress was far too high—consequently there was not a material shortage—materials were simply in the wrong place at the wrong time.

You mention castings, electric motors and diesel engines were in short supply. Undoubtedly three years ago one could have found companies held up for castings, but with electric motors lying on the shop floor, companies awaiting diesel engines but having castings available for future contracts, etc., etc. The effect of this is, of course, to hold up completion of contracts, thus tying up working capital and almost certainly to obtain far less than maximum utilisation of skilled labour. If the material supply problem can be solved this would have a dramatic effect on availability of skilled labour and working capital.

We are most conscious of the suppliers' difficulties in establishing their clients' real priorities. We also often see suppliers making delivery promises which they have little real hope of meeting.

In boom times companies do everything possible to ensure their material supplies and consequently often double order, order on stockists and manufacturers and request earlier deliveries than they need. Suppliers are therefore put under false pressures and quite wrongly take on commitments beyond their capacity.

There is no magic wand to be waved to put this right but I believe the relationship between companies trading together is of paramount importance and particularly in a busy economy. If buyers could be persuaded to be honest with their suppliers regarding their actual requirements and suppliers can become more realistic in giving delivery promises, we could go a long way towards avoiding a repeat of the problems that have been associated with every boom we have known, and proving the real capacity of the industry.

Ian M. McMurdo,
70 Carolgate,
Retford,
Notts.

What effect has the new commission system had on London's grip on the world art market? **Michael Thompson-Noel reports**

Bidding to stay the art trade's capital

ON losing its grip as point of world art it surrendering its the most dazzling art market history oming a provincial which will hence- l in Georgian bric-a- Victorian hand-me- lle the jet-set trade Masters and Impres- nd Oriental porcelain sed to more cosmo- ore competitive, play-

nged rules

fears have been by some art market er since last autumn, heby's and Christie's, g London auctioneers, trade into a flap by g a new commission m. Both houses used e a sliding scale of payable by the seller ing from 15 per cent. selling at £500 or less 0 per cent. for works £10,000-plus. But with nic depression and the in world art trade, ted the market's confi- more than it did its theby's and Christie's he rules of the game. start of the sales ist September they their selling rates to per cent. but at the brought in a contro- per cent. buyer's fee e a total commission 20 per cent.

y. both houses ex- that the move was to help combat inflated costs and to ntain their trading so that their expertise uality of their service London's prime attrac- centre for the world — should not be d.

The dealers were not impressed. Some of them, notably the silver dealers, staged saleroom walk-outs. The main complaint, and one that has persisted through the winter despite a growing accumulation of evidence to the contrary, was that the new charges would blunt London's competitive edge over rival sales centres, notably New York and, to a lesser extent, Geneva and Paris; that the flow of goods into London would begin to dry up; and that buyers, shying away from the *new 10 per cent. toll, would* take their cheque books elsewhere.

If true, these charges would have repercussions over and above the damage to the balance of paymnts contributions made by the auctioneers' commission income, for London's art market pre-eminence generates considerable spin-off for hotels, restaurants and shops. Three months ago one *of Satheby's* American clients, pleased with her morning in the saleroom, ran into New Bond Street and took a cab across Mayfair to a leading stately car emporium. She bought five Rolls-Royces and three Bentleys. "I just love 'em," she said. "I give them to my friends in Malibu Beach."

"Nu au Turban": considered to be the best Matisse ever to come to auction and to be offered at Sotheby's next April.

Confirmed

For some, suspicions that art trade was being lost abroad were confirmed by Sotheby Parke Bernet's autumn figures which showed that net sales for the period September 1-December 22, world wide, totalled £33m., up 14 per cent. on the previous autumn. The interesting figures were those for *Sotheby's London and New* York sales, where in nine key sectors sales in New York totalled £6.53m. compared with *£7.22m. for thesame nine sec*tors in London. The totals for all sectors were £14.5m. for London and £16.3m. for New York plus Los Angeles.

On the face of it, these figures seemed to indicate that New York was fast catching up on London, if not eclipsing it. Not so, says Sotheby's. The New York operation fared spectacularly well last autumn but this *was in large part due to the* high prices seen during the dispersal of several notable collections from large estates. *There were no important single* collection sales in London during this period (excepting books and manuscripts) but in New York Sotheby's began the dispersal of the collection of the late Mrs. Geraldine Rockefeller Dodge which realised £3,328,607 up to Christmas. In turn, sales from the estate of the late Mrs. Charles E. Dunlap fetched £920,500. Both collections were *from New York and one* or both of them contributed to the New York sales totals for five of the nine key sectors.

If trade was not being lost abroad, was there nonetheless any sign of a drying up of the flow into London? No, says Sotheby's, pointing in particular to its major London Impressionist sales on December 2 and 3 (the December 3 session alone totalled £1.94m., including a record £230,000 for a Toulouse-Lautrec) where foreign consignments reached 90 per cent. of the total.

Sotheby's said this week: "We are convinced that the fact that fine art of all kinds is still being sent to London for sale from almost every country in the world is a tribute not only to the undoubted skill of our own experts, but demonstrates that London is still the accepted international centre.

Matisse

Nor is there any sign, says Sotheby's, of a falling-off in the *supply of foreign goods for the* big spring sales. Ninety per cent. of the lots in a sale of Impressionist and modern paintings on April 7, for instance, are likely to come from the Continent and North America. Top of the list is *Nu au Turban* by Henri Matisse, considered by many experts to be the best Matisse ever to come to auction. The pre-sale estimate for this picture is £150,000 to £180,000 compared with the current world record for the artist of £140,000. The picture belongs to Messrs. Jean and Henri Dauberville of the Bernheim Jeune family of Paris art dealers. The same owners are sending another Matisse, *Anémones et Fruits devant une Fenêtre*, which carries a pre-sale estimate of £90,000-£120,000.

Other outstanding foreign-owned pictures in the April sale include one of the finest of Sisley's landscapes; Gauguin's *Paysages à Pont Aven*; a Claude Monet and a fine *fauve* Vlaminck. Numerous foreign-owned Old Master paintings are being sent to London for sale on March 27, including a hitherto unknown Titian portrait. There are also large foreign consignments of Chinese porcelain and jades, books and manuscripts, antique Oriental carpets, Persian and other Middle Eastern antiquities and arms an armour on their way to London.

Christie's experience has been the same as Sotheby's. Its total world sales last autumn were £15.9m., up 24 per cent. on the previous autumn. The major driving force behind this sharp improvement was Christie's U.K. sales total, which improved 29 per cent. to £11m. compared with its foreign sales total which improved 14 per cent. to £4.9m. Christie's overseas sales operations are in *Sydney*, Geneva, Rome, Amsterdam and Montreal. In addition, 41 per cent. of all goods by value sold in London by Christie's last autumn were consigned from abroad compared with only 28 per cent. the previous autumn. "There is thus not a shred of evidence to support the claim that London's position is slipping," said a Christie's director last night.

The firm's vaults and store rooms are now filling with consignments for the spring sales, including a strong batch of European-owned Old Masters (April 2): a £100,000-plus Monet, plus other good Impressionists (April 6), £150,000 worth of Persian and Turkish carpets (April 14) and large consignments of Continental and Chinese export porcelain. In addition, on March 25-26 Christie's is to sell the biggest consignment of fine claret seen in recent years on behalf of an international Bordeaux firm. The sale may well total £1m.

One of the claims made against Sotheby's and Christie's was that the new 10 per cent. buyer's premium brought in last September was designed simply to provide a new source of revenue, in a hurry, to help them finance the cost of establishing branches abroad. This claim is refuted. The firms point out their foreign expansion began in the 1960s and that their overseas staffs play an invaluable role in "feeding" art work in *to London. In addition, both* companies spend thousands of pounds each year sending experts to any country where there are potential sellers. It is only in this way that the flow of goods to London can be maintained.

improvement

In any case, Mr. Peter Spira, who joined Sotheby's from S. G. *Warburg and is its managing* director and group director of finance, points out that under standing Treasury rules the company is obliged to remit two-thirds of total foreign profits to London. "There is a very strong profit motive to ensure that we maintain our position in London and that London maintains *its* position in the art world. The great part of our overheads is carried in *London and* because of foreign fees and taxes on commission income the London business is generally the most profitable."

A major domestic aspect of the Sotheby/Christie 10 per cent. buyer's fee has been a dramatic improvement in trade at Phillips. London's No. 3 auction house, which last September not only resisted the temptation to bring in a buyer's fee in line with the Big Two but also trimmed its charge to sellers. Although it will not quite admit it, this was a skilled and so far highly successful commercial manoeuvre on Phillips' part, with the result that its total 1975 turnover, benefiting from a 42 per cent. increase in trade last autumn, jumped by 21 per cent. to a record £13.3m.

Yet if Phillips has been a major beneficiary of the Sotheby / Christie buyer's premium, the firms themselves have plenty to be thankful for. Mr. Peregrine Pollen, Sotheby's executive deputy-chairman, says the new commission rates have done precisely what they were meant to do: restored the company's trading position and helped safeguard its London-based expertise. It is thought that Sotheby's could well show a loss, or perhaps a modest profit, for the year just ended but that the buyer's premium could add perhaps £3m. to 1975-76 revenues, pushing the company well back into profit. (There will, however, inevitably be a sizeable reduction in income from vendors to set against the £3m.).

At Christie's, the interim results for the first half of 1975 showed total pre-tax profits down £180,000 at £664,000 on a turnover just 2 per cent. ahead. According to some estimates, the buyer's premium could add £1m. to Christie's 1975 profits

As a recent arrival from the City, Sotheby's Mr. Spira says: "The strangest attitude I have encountered in the art market is the feeling that because we deal in art, we should not be commercially minded: that we should be run as a national charitable institution instead of ordering our affairs in the best interests of employees, clients and shareholders. We view this with amused tolerance, but it is really very strange."

ABOUR NEWS

3I urges pre-Bill obe into docks

R LABOUR STAFF

federation of British yesterday repeated its to the proposed exten- dock labour scheme to el Foot, the Secretary for Employment, and a full and independent to the problems of the re any bill was passed.

t told it that he was o take up the sugges- considered that the resolve the issue was of the Commons. The eading of the Dock lation Bill is scheduled ay.

now plans to put its or an inquiry to Mr. ilson. It says that the ich preceded introduc- e Bill had not taken account of consumers'

I delegation told Mr. extension of the dock heme would increase rather than diminish industrial strife in dockland.

Sir Campbell Adamson, director-general of the CBI who led the delegation, said afterwards: "We told the Secretary of State that he was using a sledge-hammer ot crack a nut.

"We told him we have found no one who likes the proposals and suggested there should be an inquiry into the situation where all interested parties should be allowed to put their views."

The National Cold Storage Federation has complained that Mr. Foot has agreed to introduce certain amendments to the Bill to satisfy trade unions not directly connected with the docks but that the industries that have to bear "the brunt of these iniquitous proposals" were left "out in the cold."

The Bill, if passed, would prove "inflationary, inefficient, restrictive, unjust and ultimately unworkable."

nker crew's demands rfectly proper'

S MADE by the crew 0-ton tanker stranded anchester Ship Canal uary 23 were perfectly High Court judge said

Justice Templeman the owners of the egistered Camellia an ordering the Inter- Transport Workers' and Mr. John Nelson, West inspector, to let sail.

ners, Camellia Tanker ediately went to the Appeal to challenge the ecision. The appeal is to last two days.

stice Templeman said amellia's crew—alleged mutinied" and refused he vessel, operated by Enterprise of Hong d made their demands ners through the ITF. nted higher wages and repayment of £200 said een paid by each crew as a condition of em- when signing-on for , and payment by the of subscriptions and ip fees to the ITF.

Tugboat crews had, in breach of their contracts of employment, refused, or intimated that they would refuse, to move the tanker, said the judge. Similarly, dockers had refused to open lock gates.

These breaches, or threatened *breaches, had bene induced by* Mr. Nelson, the judge continued, but "I make no criticism of the conduct of Mr. Nelson, or the ITF policy he was putting into effect. He did what he thought was perfectly proper."

Civil servants seek full £6

By Our Labour Staff

CIVIL SERVICE unions have asked the Government for the full permitted £6-a-week pay rise payable from April, when their present agreement expires.

The unions have asked for an official answer soon, but the Government may want to delay its reply, pending the debate on public expenditure cuts and Civil Service manning levels.

C economy moves e crucial week-end

RELIES OLSLAGER, LABOUR STAFF

tish Steel Corporation k-end faces the first test of whether its economy programme, with national union vo weeks ago, is accept- e shopfloor.

the agreement, reduc- number of plants in- hift working — which al part of many steel- 40-hour week—have to ted locally and imple- y to-morrow.

ral plants, talks were g on yesterday in an each *agreement by the* If there is no under- and if management n implementing the changes, new unrest ow.

No trouble is expected at the three major Welsh plants shut by strikes last month when BSC unilaterally tried to reduce week-end working. But in at least one other plant, the Corby works in the tubes division, the unions have failed to agree on management plans to put about 500 workers in the strip mill on week-day working only.

BSC headquarters in London is considering the matter and the Corby management has agreed that the 500 can go to work to-morrow and be redeployed to *other jobs*.

At other plants, the workers have agreed to work reduced shifts "under protest" while union officials continue negotiations.

Leyland starts action over factory sit-in

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITISH LEYLAND is bringing a *civil action in the Italian* courts in an attempt to regain access to cars and spare parts in the Innocenti plant in Milan. The factory is occupied by dismissed workers.

About 5,000 cars, mainly the new "Bertone" Minis, have been locked in by the workers made redundant when the company went into liquidation in November after heavy losses.

The cars are worth at least £7.5m. at *retail* value—and Innocenti concessionaires say that there is a ready market for them if they can be brought to the showrooms.

Leyland said last night that the £34m. write-off made against Innocenti last year would cover the cars if there were problems through damage or loss. The write-off was set to cover the worst possible outcome.

The injunction against the *workers' committee is due to be* heard on February 17. Leyland has already told the workers that it will not give them their wages for the past two months nor their severance pay until it can have the cars and spares.

The future of the Innocenti plant, which has become a serious political issue in Italy, is still the subject of intense negotiations between British Leyland, the liquidator and several interested parties.

After rumours that Honda would intervene to establish an assembly business in the factory, Fiat stepped in with a plan to manufacture vans, but this scheme now seems to have been abandoned.

Talks centre on a scheme involving Sig. Alessandro de Tomaso, who now runs Benelli and Guzzi, the motor-cycle companies, and Maserati.

U.S. Comptroller has 28 banks on problem list

BY JAY PALMER NEW YORK, Feb. 6.

MR JAMES SMITH, the U.S. Comptroller of the Currency, adding to the existing furore over the weaknesses of the American banking industry, has disclosed that his agency now has 28 nationally chartered banks on its "problem" list.

Mr. Smith said in a brief to the Senate banking committee *that seven of the banks* were in "critical shape" and in immediate danger of insolvency. The remaining 21 were showing only "serious" problems which could ultimately lead to a crisis.

He categorically refused to name any of the banks. Disclosing that the 28 institutions had total assets of only $11.5bn. and deposits of $7.6bn., he effectively confirmed, however, that no very large banks are on the list.

Over the past few weeks, both the Federal Reserve and the Federal Deposit Insurance Corporation have disclosed the number of banks under their supervision which are in trouble. While the Fed. said it was monitoring a total of 128 banks and bank holding companies, the FDIC said it had 390 banks on its problem lists.

The latest disclosures from the Comptroller coincide with a renewed push by Congress to overhaul the U.S. banking laws. The House banking committee is now considering a wide-ranging Bill which would, among other proposals, create one single agency to oversee and regulate the banks.

Under the present system, the Comptroller is responsible for looking after some 4,700 national banks. The Federal Reserve, aside from its monetary duties, looks after 1,000 State chartered banks which have opted to become part of the Federal Reserve system. The remaining 8,500-odd banks come under the jurisdiction of the FDIC.

Mr. Smith said in his correspondence with the Senate banking committee that the list of 28 problem institutions did not include the 57 national banks now receiving extra regulatory supervision as a precaution.

In addition to these, his agency had judged a further 190 banks to have too high a level of "risky" loans.

Stressing frequently that in spite of its problems the banking industry as a whole was still in sound shape, Mr. Smith added that the 12 largest national banks' "classified assets" were at a level equivalent to 102 per cent. of capital.

Defining classified assets as "problem or risky loans," he said that regulators become worried when this ratio exceeds 65 per cent.

On a slightly different tack, Mr. Smith said that America's largest national banks increased their total level of foreign loans to $52.4bn from $31.3bn. last year. Their level of "sub-standard" international loans had risen to $2.3bn. from $1.3bn.

Drive to avert public spending cuts attacked

MR. JOHN MACGREGOR, Tory MP for South Norfolk, told a women's conference at Dereham, Norfolk, that attacks on the level of Government spending, which might once have been considered the ritual war-cry of Right-wing extremists, were no longer so. There was now an impeccable, economic case behind the demands and it was critical for everyone that they should succeed.

Economic Diary

MEASURES to combat unemployment to be announced by Mr. Denis Healey, Chancellor of the Exchequer, in the House of Commons on Thursday.

SUNDAY — Mrs. Margaret Thatcher, Conservative Leader, at National Young Conservatives conference, Scarborough.

MONDAY — European Central Bankers begin two-day monthly meeting in Basle. EEC Foreign Ministers begin two-day meeting in Brussels. Civil Service union leaders meeting Lord Shepherd, Lord Privy Seal, to discuss Government's plans for reductions in number of civil servants. Mr. Len Murray, TUC general secretary, addresses Insurance Institute of London on trade unions attitude to occupational pensions schemes, 20, Aldermanbury, E.C.2. Hire purchase and other instalment credit business (December). Retail trade (December-final). Wholesale price index (January).

TUESDAY — Commons Second Reading of Dock Work Regulation Bill. Mrs. Barbara Castle, Social Services Secretary, is guest speaker at Financial Times Pensions in 1976 Conference lunch, Royal Lancaster Hotel, W.2. Mrs. Shirley Williams, Prices Secretary, at Electrical Contractors' Association dinner, Grosvenor House, W.1.

WEDNESDAY—*Prime Minister at* Parliamentary and Scientific Committee lunch, Savoy Hotel, W.C.2. Commons debates Government's guidelines on State investment in motor industry. Publication of Government's views on Regional Strategy for East Anglia. Sir Campbell Adamson, director general of CBI, speaks at West Surrey members lunch, Cobham. Clearing banks' aggregate figures for deposits, liquid assets and advances and U.K. banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-January).

THURSDAY—White Paper on Public Expenditure. Index of industrial production (December).

FRIDAY—Provisional U.K. trade figures for January, incorporating import and export unit value and volume index and terms of trade. Retail prices (January). Building Societies' receipts and loans (January). Crude steel production (January) and finished steel consumption stock changes (fourth quarter-provisional).

COMPANY NEWS + COMMENT

Kinloch profit goes ahead by £200,000

SECOND-HALF profits of Kinloch (Provision Merchants) have risen £100,000 to £769,000, to give a total of £2.09m. for the year ended October 25, 1975, against £1.89m.

The final dividend is 4.08p per 25p share, to raise the total from 5.3475p to 5.705p.

Turnover advanced nearly £17.5m. to £86.44m., and trading profit came to £2.17m. (£1.9m.).

	1974-75 £	1973-74 £
Turnover	86,440,000	68,963,000
Trading profit	2,175,106	1,900,564
Depreciation	406,513	335,253
Loan interest	21,225	21,225
Interest received	173,149	130,203
Maidstone income	174,207	161,699
Profit before tax	2,092,724	1,891,988
Taxation	1,124,970	998,890
Net profit	967,554	893,158

● **comment**

An increase of a tenth by Kinloch at the pre-tax level was right in line with market estimates, and the shares ended up all square at 136p on a generally dull day for equities. Investment income—interest receivable on cash shown at £1.7m. in the last accounts, and now evidently higher, plus rental on the fully let Maidenhead development—is virtually unchanged at £347,000. So the growth in profits is from the wholesaling and retailing operations where overall sales are 25 per cent. higher. There has been a boost of five new stores opened to bring the total to 55, and a further 150 grocers joining the Wavy Line franchise. Kinloch looks set for further growth this time round and the shares should find support on a yield of 6.7 per cent. and p/e of 7.7.

INDEX TO COMPANY HIGHLIGHTS

Blackman & Conrad in line

THE FORECAST at Blackman and Conrad of profits of at least £614,000 for the year ended September 30, 1975 turns out to be £616,701, compared with £765,300 last time, after a decline of about £100,000 to £307,000 in the first half.

Earnings per 5p share at year-end are shown to be 2.77p, against 4.71p and dividend total is 1.575p net (1.43p) with a final of 0.95p.

The directors are recommending that the authorised capital be increased to £1.2m., and that there be a scrip issue of 1-for-1. Thereafter, they are recommending that every four issued shares be consolidated into one share of 20p.

	1974-75	Year 1973-74
Turnover	8,623,192	8,395,457
Profit before tax	616,701	765,300
Tax	347,793	307,880
Net profit	268,908	457,420
Interim div.	60,663	56,903
Final	92,210	83,859

The directors intend to extend the company's accounting year to January 31 and the next accounts will accordingly be for the 16 months to January 31, 1977.

● **comment**

The chief features of Blackman and Conrad's 1975 results were a further two point decline in margins (after a similar fall in the previous year) and a drop of two-fifths in the level of earnings per share to 2.77p. The 19½ per cent. fall in pre-tax profits against a nearly 4 per cent. rise in turnover may be attributed to some extent to the absorption of wage rises (up 15 to 17 per cent. in some cases) for women employees without, apparently, a corresponding increase in prices. However, interest charges must also have been a continuing burden. And this would be in spite of reductions reportedly by 30 per cent. from the £160,000 level reached in 1974 when borrowings at £1.27m. were nearly 200 per cent. of shareholders funds. Earnings figures meanwhile have been clearly affected by a return to a normal tax charge compared with an abnormally low charge in 1974 and this accounts for a now higher p/e of 7.2. The shares at 21p yield just over 12 per cent. covered just about two times.

JOHNSON CONSTRUCTION

Johnson Construction Equipment Group proposes to change its name to J.C.E.G. and to adopt new articles (incorporating minor changes) and to bring up to date the objects clause of the memorandum of association.

Increase shown by G. Dew

CIVIL ENGINEERS, industrial builders, etc. G. Drew and Co. has turned in profits of £1.27m. for the year ended October 31, 1975, against £1.18m. Turnover reached £13.95m. (£13.17m.).

The current workload is satisfactory and in excess of that obtaining at this time last year, the directors report. They are currently shipping equipment to the Middle East preparatory to commencing active operations.

Earnings are shown at 20.14p (18.66p) per 25p share, and the final dividend is 2.8995p for a net total of 4.5245p (4.2398p).

	1974-75 £	1973-74 £
Turnover	13,954,352	13,176,195
Net profit before tax	1,272,482	1,184,151
Taxation	648,426	597,837
Net profit	624,056	586,314
Minorities	9.369	16,836
Attributable	614,487	569,488
Dividends	133,073	127,194

● **comment**

While higher interest income—up £30,000 to £111,000—has been responsible for slightly more than half the pre-tax profits advance of 7½ per cent., G. Dew has done well in a particularly depressed sector. With its continuing policy of concentrating on specialised activities—foundation work and piling—which afford higher returns, margins have held steady at 9.1 per cent. The current workload stands about 20 per cent. higher at £13m. and this is expected to increase with the firm's entry into the Middle East where it has already secured a contract: more work is expected from that region—with the implied drain on liquidity, but Dew is well-equipped for this, having a cash holding of about £1.5m. and no borrowings. The much higher returns from the overseas work are expected to make up for the drop in interest income and any shortfall in this country. The share price remains unchanged at 106p, giving a net p/e of 5.1 and yielding 6¾ per cent. (covered 4½ times).

Recovery at Harris Lebus

IN THE 53 weeks ended October 31, 1975 profits of Harris Lebus have staged a partial recovery to £309,000 compared with £20,000 in 1973-74 and with a record £775,769 achieved in the year before. Turnover of this furniture manufacturing group showed an increase from £5.97m. to £8.23m.

Earnings per 25p share are stated at 14.4p compared with a loss of 0.2p. On the grounds of the company's recovery situation the Treasury has consented to an increase in the dividend from 2p to 2.93p net. The 1972-73 payment was 3p.

In view of changed legislation affecting scrip dividends, it is not proposed to give holders the alternative this time.

The directors state that the year was a period of greater stability in the furniture industry after the violent fluctuations of the past two years. Turnover shows a healthy increase, both in real terms and in the market share over the previous year.

The current year has started satisfactorily, and the group has capacity available to meet a growing demand, which should arise as the economy once more expands and as the more aggressive marketing policy takes effect the directors report. The financial position is extremely sound, and "we have ample funds available to finance our growth."

	53 wks. 1974-75 £000	Year 1973-74 £000
Turnover	8,227	5,969
Trading profit	283	*21
Interest receivable	26	41
Profit before tax	309	20
Taxation	2	25
Net profit	307	*5
Off goodwill	58	—
Ordinary dividend	63	42
Scrip dividend†	17	22
Retained profit	205	*23
Shares issued‡	16	7
Forward	1,222	1,073

* Loss. † Proposed dividend for previous year not taken in cash. ‡ Nominal value of shares issued in lieu of cash dividend.

● **comment**

Higher prices combined with a marked pick-up in sales volume allowed Harris Lebus to establish itself firmly on the recovery trend in 1974-75. As demand began to turn upwards at the beginning of the year, the group was able to abandon the price-cutting policy forced upon it in 1973-74 and has set to work on restoring profit margins. It still has some way to go in this direction and an intense level of competition could hamper its progress in the current year. However, demand is still expanding and, although a full recovery is still a long way off, the group's strong financial position—cash balances are currently in excess of the £414,000 in the last balance sheet—should enhance its chances of securing a wider share of the market. At 53p (up 3p on the day) the yield of 9 per cent. still, understandably, reflects some caution compared with the rest of the furniture sector.

£0.91m. by Crest Nicholson

PROFIT, before tax, of Crest Nicholson was £905,000 during the year ended October 31, 1975 from turnover of £20.84m. For the previous 15 months the figures were £705,000 and £1.26m. respectively.

Reporting profit at £422,000 for the half year to April 30, 1975, compared with £327,000 in the first half to January 31, 1974, chairman Mr. D. L. Donne said last June that results for the year would show a "material improvement" over the previous 15-month period.

Stated earnings for the year are 2.94p per 10p share, against 3.01p for 15 months. Final dividend is 1.64p net, the maximum permitted, making a total 2.27p (2.66p).

Loans and bank overdrafts at the year-end were £1.64m.—a reduction of borrowings during the period of nearly £3m. (£4.55m.).

The property side of the business, in addition to providing the group's reduction in borrowing, was comfortably back in profit with a figure of £300,000, say the directors. An assessment of the land stock at the end of the current year indicated that there was no requirement for any additional write-down of land values.

The trading divisions were able to maintain their level of activity but fast-rising costs were not fully recovered in selling prices.

The group is "working to a plan that predicts a higher profit for the full year although profits in the first six months are likely to be lower than in the first half of 1975," they add.

● **comment**

On a strictly annualised basis, Crest Nicholson has made little overall progress during 1975 (excluding the previous year's land write-downs) and the fact that pre-tax margins are down by nearly a quarter to 4.4 per cent., after a halving of interest charges, is an indication of the squeeze on trading margins. Borrowings have been reduced sharply to around a third of shareholders' funds, and this should allow the group to keep its options open on the now profitable property side. The leisure interests have lost their previous buoyancy; but an increased rate of housing completions in the second half of 1975/6, and a profit contribution from the loss-making Lamson Engineering acquisition, point to overall growth. A high tax charge (63 per cent.) is due to overseas losses in yacht chartering and brokerage, and certain investment write-downs. A return to a normal charge would drop the historic p/e of 12 at 37½p, down 5½p last night, to 9 and lift the cover on a yield of 10 per cent. from 1.3 to 1.7 times. The shares at this level have reasonable support.

Beaumont Properties decline

PROFITS before tax of Beaumont Properties fell from £774,656 to £481,204 in the year ended September 30, 1975. Turnover was lower at £2.08m. (£2.29m.).

First-half profits were down £267,900 at £283,995, but the chairman, Sir Cyril Black, said then he judged that the second-half figures would show some improvement on the first six months.

Directors now report that the market in good property investments is steadily improving and substantial profits from property trading are considered likely in the current year.

It is also hoped that there will be a considerable reduction during this year in interest rates in both sterling and dollar areas, thereby reducing the interest payable.

A final dividend of 1.7273p net per share lifts the total from 2.6845p to a maximum permitted 2.8648p.

Stated earnings per share are 1.5p (3.1p).

	1974-75 £	1973-74 £
Turnover	2,070,161	2,288,898
Profit before tax	481,204	774,656
Interest charged	709,721	567,291
Tax*	312,563	436,000
Minorities loss	2,746	1,968
Extraord. debit†	347,966	369,767

* Including £8,283 (£21,545) debit for prior year adjustments. † Met by transfer from general reserve.

Hume still expects to hold 2.8p

NET ATTRIBUTABLE revenue of Hume Holdings increased from £441,389 to £463,388 in the six months ended December 31, 1975, and the directors are confident that the revenue for the full year will be sufficient to fulfil the forecast made last October of at least maintaining the "A" dividend at 2.7925p net. An interim dividend of 0.975p has already been declared.

Basic earnings per 25p "A" share are stated at 1.65p (1.92p) and fully diluted at 1.59p (same). The figures for the year 1974-75 were 1.52p and 1.85p respectively. After grossing up for the underlying tax credit on the interim dividend, the earnings per share for the first half of 1975-76 are 2.18p basic and 2.11p fully diluted.

	Half year 1975 £	1974 £
Gross revenue	1,115,772	1,027,547
Dividends and int.	986,654	923,065
Property	119,428	96,781
Finance & trading cos	95,710	5,699
Management expenses	181,430	170,281
Interest	181,086	156,142
Revenue	753,254	671,122
Share of associates	137,393	148,378
Revenue before tax	890,647	819,494
Taxation	423,850	375,584
Net revenue	466,737	443,910
Minorities	3,369	2,021
Attributable	463,388	441,889
Preference dividends	122,156	122,150
Attrib. 'A' and 'B' shs.	341,238	319,739

Estimated net asset values on issued "A" and "B" capital (valuing fixed interest capital at par) are: basic 60.8p (58.5p at June 30, 1975), and fully diluted 68.6p (67p). At February 5, 1976, the approximate basic net asset value was 67p and fully diluted 73.4p.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Beaumont Props.	1.73	Mar. 25	1.51	2.86	2.68
Blackman & Conrad	0.95	April 29	*0.86	1.58	1.45
Centreway ...int.	0.88	—	0.88	—	1.82
Coronet Industrial	0.35	—	0.35	0.35	0.35
Crest Nicholson	1.64	—	2.03	2.27	2.66(a)
G. Dew	2.89	Mar. 29	2.56	4.52	4.24
Glasgow Stockholders	1.85	Mar. 20	1.92	2.85	2.8
Gold Fields Sth. Af. int.	75 (b)	Mar. 17	75	—	225
Harris Lebus	2.93	—	2	2.93	2
Kinloch	4.08	April 26	3.67	5.7	5.35
Lloyds Bank	4.02	April 2	3.77	7.39	6.93
Longton Transport ...int.	0.8	April 1	0.79	—	2.84
Malit Securities	0.4	Mar. 3	0.2	0.75	0.7
New Hibernia Invest. int.	0.88	Feb. 20	0.88	—	1.75
Second Alliance Trust int.	1.4	Mar. 15	1.4	—	4.3
Steinberg ...int.	0.32	April 7	0.32	—	0.88

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) For 15 months. (b) South African cents.

UNIT TRUSTS

Schlesinger 'nil yield'

Schlesinger Trust Managers is advertising the Schlesinger 'Nil Yield' Fund this week-end which aims to give the investor an exclusive interest in capital appreciation rather than income. The managers expect that there will be a small income distribution on the fund about every 2-3 years, but this should be minimal, for the portfolio is about half invested in low coupon gilts; 35 per cent. in overseas growth stocks (backed by foreign currency loans); and 10 per cent. in low-yielding U.K. equities and the capital shares of split-level investment trusts. The fund is specifically designed for the larger investor with £2,500 upwards and is linked to the 'PIMS' service which provides regular detailed reports and an opportunity to meet the investment managers occasionally.

● **comment**

One often wonders how many of the people who go for the maximum yields possible really undersatnd the effect on their investment income of higher rate taxes. Schelsinger makes this point in its advertisement for the Schlesinger 'Nil Yield' Fund in a table which illustrates the effects. The fund is useful for the higher-rate tax payer and for professional advisers—the obvious alternative being a stake in the capital shares of a split-level investment trust. But split-level capital shares are a geared investment which demand closer attention than many investors are prepared to give.

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M & G PENSION

The M and G Group is advertising the M and G Personal Pension Plan this week-end. This contract is designed to enable the self-employed to make their own pension provision, taking advantage of the generous tax reliefs available. The keynote of the plan is flexibility in the payment of premiums to meet the variability in earnings—a feature with certain of the self-employed. The underlying fund is invested in U.K. and overseas equities and the investor can take his pension either as a level annuity, or one whose value varies with the unit price of the underlying fund, or a combination of the two.

● **comment**

If the self-employed wish to receive an adequate pension, they have to make their own arrangements. A pension policy with a life company does enable them to make such provision and receive favourable tax treatment. The contributions get relief, within certain limits, at the investor's top rate, while the pension is taxed as earned income. The M and G Personal Pension Plan has been among the leaders of the unit-linked schemes since its inception eight years ago, having consistently outperformed the cost of living index, except for a brief period during the dark days of 1974.

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SAVE & PROSPER PRODUCT RANGE

A large number of the Save and Prosper products are being advertised this week-end, the group urging investors to send away for the booklet explaining the investment srevices on offer. These include unit trusts, a range of investment bonds, the house-owner's retirement income scheme, annulties, pension schemes and the school fees capital plan. A share exchange plan is also available and professional advisers in need of guidance can contact S and P's special services company for more information.

● **comment**

The trend of major unit trust groups is to move into wider fields than purely unit trust management. Save and Prosper has been in the vanguard of this process in recent years and can now offer a wide range of financial "umbrella" services.

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LAWSON GILT & WARRANT

Lawson Securities is offering investors the Lawson Gilt and Warrant Fund this week-end. The underlying portfolio is a hybrid of short-dated gilt-edged stocks and warrants, the mix being such that at all times the nominal value of the gilts at least equals the total invested in units. The minimum investment is £100 and both a share exchange scheme and a savings plan are available.

● **comment**

The Lawson Gilt and Warrant Fund has an unusual portfolio mix, the gilt portion providing stability, while the warrants provide investors with a stake in the most volatile sector of the equity market. It has attraction for investors whose prime aim is security but who would like a higher risk investment as a side-dish. The fund has performed adequately since its inception in May, 1974: a £1,000 invested then is now worth £1,300.

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Gartmore Fund offers

Two funds are on offer from the Gartmore group, Gartmore High Income and Gartmore British. Both have a minimum investment requirement of £200, but while the income fund offers a gross yield of 10.3 per cent. (bolstered by 16 per cent. in Preference shares), the British fund is orientated towards capital growth and all the net income is retained. The Gartmore group controls funds of over £400m.

● **comment**

The Gartmore group has not been in the unit trust business for very long but has long experience of managing investment trusts—and investment experience is what counts in the long run. The Gartmore High Income and British Funds both have creditable performances although it is always ironic that income funds tend to do as well as those which start out with capital growth as their main aim.

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KLEINWORT BENSON UNIT FUND

The final distribution on income units of Kleinwort Benson Unit Fund for the period February 7 1975 to February 5 1976 will be 1.001p net per unit. The total distribution for the period amounts to 2.026p net per unit.

WICKMOOR PAYMENT

The final distribution on Income Units of the Wickmoor Fund for the accounting period January 30 1975 to January 28, 1976 will be 0.952p net per unit, payable March 15 1976, making a total of 1.502p. The corresponding retention of income for Accumulation Units is 1.626p net for the period.

AMEV LIFE CAUTION

Amev Life Assurance, the U.K. subsidiary of one of Holland's largest insurance and financial groups, says that while Britain's economy appears to be improving "a degree of caution will prove rewarding in 1976."

Mr. J. P. Bol, chairman, in the 1975 annual report for the Triad Managed Fund, adds that although inflation appears to be easing slightly, "it could be a difficult year for the balance of payments and sterling." But he is confident that the Triad Managed Fund Bond will continue to offer "attractive" prospects of capital growth.

The Triad Managed Bond, launched in June, 1974, at 100p, had increased in value to 121p at December 31 1975. Its portfolio is spread 20.42 per cent. in gilt edged securities and 71.63 per cent. in equities.

JASCOT NORTH SEA & GENERAL

The Jascot North Sea and General Fund is on offer from Arbuthnot Securities, aiming at capital growth with a current estimated gross yield of 3.2 per cent. The trust has major investments in substantial corporations which will benefit from the oil cash flow and the minimum investment is £200. Charges are on a 5 per cent. initial ½ per cent. per annum basis.

● **comment**

The Jascot North Sea and General Fund is one of the few fund vehicles which specialises in the North Sea. The latter has not yet proved to be a gold mine for the investor, but there is no telling what may happen from now on.

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CRESCENT EXPANSION

Two of the Crescent group's unit trusts have expanded through the issue of £682,000 of new units to acquire the investment portfolio of a private investment company. The unit trusts are Crescent Reserves, a £10.4m. fund with investments in major U.K.-based companies, and Crescent International, a £3.7m. growth fund which has investments in the U.S., Japan and other overseas areas. The transaction was arranged by Noble Grossart.

BARBICAN FUND

The Barbican Investment Fund interim distribution on Income Units, for the accounting period July 3, 1975 to June 30, 1976 will be 0.670p net per unit, payable February 28.

EQUITIES INVEST.

The first quarterly distribution by the Equities Investment Fund for Charities for the accounting period to November 1, 1976 will be 1.9p per unit (1.7p last year), payable February 28.

ARLINGTON MOTOR

Arlington Motor Holdings, the passenger and commercial vehicle specialists, has improved liquidity by £506,000 through the sale of the freehold land at Mollison Avenue, Brimsdown, Enfield, for £235,000 (which was surplus to requirements) and receipt of a corporation tax refund of £271,000.

ISSUE NEWS

Lloyds rights at 210p—profit down

IN ADDITION to reporting a drop of almost £31m. to £95.51m. in operating profit for 1975 the directors of Lloyds Bank announce plans to raise £74m. by way of a rights issue—its first cash call since 1962.

The issue is of 36,277,632 £1 shares at 210p each on the basis of one-for-four, and one for every £14 nominal of 7½ per cent. convertible stock.

The profit—which followed a first-half fall from £75.92m. to £47.38m.—was struck after allowing for a turnround from a profit of £8.49m. to a loss of £521,000 in respect of the share of associates results—reflecting the results of Grindlays Holdings and Finance for industry. The 1974 group profit was struck before special provisions totalling £51.55m.—additional provision for doubtful debts £13m., special contribution to pension funds £10m., and a loss of £28.55m. arising in a subsidiary from unauthorised foreign exchange transactions less insurance recovery. Allowing for those provisions the 1974 profit is reduced to £74.95m.

At the attribultable level the balance emerges at £39.64m. compared with £29.06m., after extraordinary debits of £1.99m. (nil). Basic earnings per share (before those debits) are stated at 32.08p (22.39p) and fully diluted at 30.02p (21.36p).

The dividend total is raised from 6.9318p to 7.3973p, with a final of 4.0203p net.

Looking to the current year the directors say that at this stage no accurate forecast of results can be made, but they expect to be able at least to hold the dividend on the enlarged capital.

	1975 £000	1974 £000
Operating profit:—		
Lloyds Bank group	96,028	117,978
Share of loss of assocs.	521	*5,494
Leaving	95,505	126,422
Provision doubtful debts	—	13,000
To pension funds	—	10,000
Foreign exchange loss	—	28,545
Profit before tax	95,505	74,947
Taxation:		
Lloyd Bank group	47,959	40,294
Associates	†5,439	5,217
Net profit	42,107	29,436
Minorities	454	375
Extraordinary debits	‡1,985	—
Attributable	39,628	29,061
Dividends	9,339	8,995
Retained	30,039	20,066

* Profit. † Charge due mainly to unrelieved losses and overseas taxes. ‡ Extraordinary debits relate mainly to the losses arising on disposal of Balfour, Williamson and Company, a wholly owned subsidiary of Lloyds Bank International and on disposal by subsidiaries of interests in two associates — London American Finance Corporation and London Interstate Bank.

The directors point out that the results have taken into account the involvement of Lloyds Bank in advances made by the Support Group ("the lifeboat").

In the U.K. average deposits gathered through the branch network showed a good increase. However, demand for advances was slack, interest rates were lower and operating costs increased considerably. Results were, therefore, adversely affected despite the widening of margins between base and deposit rates, they explain.

The international business of the group again made a substantial contribution.

Shareholders' funds at December 31 were made up as follows: (£000's omitted):—Capital ... (same), and reserves ... share of post-acquisition ... of associated companies ... vestment suspense ... £438,201 (£411,786), ... £367,967 (£341,532). After ... account of the net proceeds ... the rights issue shareholders' funds would be increased to £642m.

As regards the issue, ... the increase in the ... capital being approved, ... able letters of allocation ... despatched on February ... the last date for acceptance ... be March 17.

The directors point ... since 1962 Lloyds has ... into a major international ... ing group and shareholders' funds, are no longer in ... propriate relationship ... increasing scale of the ... While it has been ... finance part of the expansion ... the issue of Subordinated ... and Loans, and while ... sibility of further ... remains, the directors ... that the time has come to ... the Ordinary capital.

Such an increase will ... bring the capital into ... satisfactory relationship ... deposits, but should ... Bank to take advantage of ... tunities for further ... expansion of its business ... occur.

The issue will be underwritten ... by Hoare and Co. Govett ...

North Sea applications

The result of the La... Scot issues of £75m. of ... cent. Unsecured Loan ... 7.5m. of Oil Producing ... units was announced ... along with the basis of ...

Firm applications had ... been received for £49.9m. ... and 4.99m. OPS leaving ... of £25.1m. of stock and ... OPS units available to the ... The £19.2m. of stock ... LASMO attracted applications ... £26.96m., and the ... shares attracted applications ... 9.47m. Also the £5.5m. ... stock available attracted ... tions for £10.42m. and the ... of OPS units attracted ... tions for 4.72m.

Firm applications ... alloted in full. Other ... were alloted as follows ... up to £15,000 in full; ... and above, 60 per cent. ... for with a minimum of ... Scot, up to £3,000 in full ... than £3,500 and up to ... per cent. applied for with ... mum of £3,000; and for ... and above, 40 per cent. ... for with a minimum of ...

Successful applicants for ... stock who also applied ... units have been alloted ... for every £100 of stock. The ... of allotment will result in ... ments being made in full ... 90 per cent. of the applications ... the Loan stocks. Dealings ... commence on Wednesday ...

Electra Trust £10m. offer for sale

BY TERRY GARRETT

The prospectus for the first conventional styled offer for sale for more than two years is expected to be published within the next week or so. From the stable of the Electra House Group comes Electra Investment Trust which is scheduled to raise over £10m. by an issue of Ordinary £1 stock units.

Electra Investment, whose stock units are held in equal proportion by the quoted Cable Trust and Globe Investment Trust, is expected to offer about a quarter of its equity, 10m. units, to the public, the balance remaining with Cable and Globe.

Electra already has a quote for its 6 per cent. Debenture stock. It was formerly known as Cables Investment Trust, but changed its name last year along with the adoption of new articles.

Steady growth in gross revenue has been recorded by Electra over the past eight years, rising from £1.4m. in 1966-67 to £2.5m. for the year ended last March. The gross dividend has been increased from 12½ per cent. to 19.2 per cent., though this is unlikely to be representative of the dividend policy to be adopted once the units are quoted.

Electra operates as a conventional investment trust, with a wide spread of both equity and fixed interest investment. A geographical breakdown in the last accounts, shows that some 37 per cent. of the fund's investments were in the U.K., 15 per cent. in the U.S. and the balance spread over the rest of the world, ... ticular South Africa, Canada ... Asia. Current net asset ... the trust is in the region ... to £60m.

Quotation of Electra Investment will represent the fifth ... investment trust within ... Electra House Group— ... tion with over £300m. of ... funds as at last March. ... from Cable and Globe, both ... phone and General Trust ... Temple Bar Investment ... are managed by Electra ... Services.

GOVERNMENT STOCK

The Treasury is to issue ... further tranche of £600m. ... per cent. Treasury Loan ... £95.25 per cent. payable ... on application. The new ... will be designated "A" to ... confusion with an earlier ... issued last March.

Interest on the loan is ... half-yearly on January 14 ... July 14, and the first payment ... £5.24 per cent. is to be made ... July. The loan will be repaid ... par in July 1993.

The issue is in the ... stock, but after June 10, ... may be exchanged into ... Bearer in denomination ... from £100 up to £50,000 ... interchange can be made ... payment of a fee.

The prospectus is due ... Tuesday and the list of ... tions opens and closes ... Thursday.

MINING NEWS

Hancock in Bond deal

BY MALCOLM DUMPHREYS

IT IS NOW confirmed that Mr. Lang Hancock and his family interests have agreed in principle to purchase Mr. Alan Bond's 43.3 per cent. interest in the Australian Robe River company which has a 35 per cent. stake in the $A300m. (£186m.) iron ore venture of the same name.

Mr. Hancock's daughter Mrs. Gina Hayward, would make no comment on rumours of a price of $1.30 (80p) per share for the holding. However, Mr. Bond is reported as saying that the bid is higher adding that "we have rejected offers of more." It is understood that Mr. Bond is to make a full statement on the proposals on Monday. Robe River put on 15p to 100p in London yesterday.

GFSA HALF-YEAR

Half-year net profits of the Consolidated Gold Fields group's Gold Fields of South Africa come out at R19.2m. (£10.9m.) compared with R22.9m. in the same period of a year ago and the total for the year to last June of R47.1m. An unchanged interim (1.6 times covered) is declared of 75 cents (42p); the previous year's final was 150 cents.

GFSA's latest investment income is in line with the previous year, but the ... of a partly-owned subsidiary ... resulted in a loss on share ... compared with a profit previously. It is pointed out that the ... of the current year's final ... dend will be largely dependent ... the company's important ... dividend revenue. GFSA ... £19¾ yesterday.

COMALCO SLIPS

Reporting a slump in net ... to $6.32m. (£3.92m.) for 1975 ... $17.33m. in the previous year, ... the dividend cut to 2.75 ... (1.7p) from 6.5 cents, the ... Tinto-Zinc group's Australian ... Comalco says that it is ... to raise its prices by 3.5 ... kilogram for 99.5 per cent. ... aluminium and up to 3.5 ... kilogram for all other grades ... last price increase was ... September.

A company spokesman said ... rise would not be enough ... restore profit margins and ... fall well short of those needed ... to justify new investment ... Comalco is 45 per cent. owned ... Conzinc Riotinto of Australia ... which is in turn 80.7 per ... held by RTZ.

Results due next week

Five companies stand out in an otherwise uneventful week for profits news starting on Monday. The short-list is headed by Imperial Group's preliminaries and United Dominions Trust's first half figures. Results from Dalgety are also due as are those for De La Rue and Securicor.

Imperial Group's first half profits in July—up by £7.4m. pre-tax to £52.5m.—revealed that a recovery from the 1973-74 depression when profits slumped by £24m. to £73.5m. pre-tax had started ahead of most expectations. Higher cigarette prices played an important part in this improvement and there must have been more to come from these in the second half, a period which should have seen further recovery from food division—exceptionally depressed in 1973-74—and the benefits of a particularly good summer for the brewing interests. This points to a full year pre-tax level (to be announced Tuesday) somewhere in the region of £90-£95m. pre-tax.

United Dominions Trust's first-half figures on Wednesday are expected to show that the group is now over the worst of its problems. Yet, because of the gearing element, whether the pre-tax level will remain in losses or climb above break-even is more a matter for guesswork at this stage. The group was hoping for a return to profits this year, having made massive provisions resulting in a loss of £32.4m. last year. However, the passing of a preference dividend last November was not an encouraging sign, though the tone of the statement seemed to indicate that the group must have been operating somewhere near break-even. Market interest will probably concentrate more on the statement than the half-time figures.

Signs that the big international trading group, Dalgety, has turned the corner after its disastrous second half performance last year give hopes that interim results due on Wednesday will show a small recovery from comparable profits of just over £4m. to somewhere nearer the £5m. mark. New Zealand is singled out as an area most likely to show a big improvement possibly back into profits of £1m. (against £28,000) as a result of Government help to the farming sector. In the Northern hemisphere, some turn-round is forecast for forestry interests in Canada but the U.K. outlook is uncertain while contributions from U.S. interests are expected to reflect reduced benefits from steel trading. It is noted, however, that taxes and interest charges were probably less burdensome than in the previous first half.

A possible overall growth this year of 20 per cent. in its security interests coupled with signs of an end to destocking in Formica by customers are expected to be reflected in the third-quarter results due from De La Rue on Tuesday. After the half-year fall to £2.2m. from £4.1m., end-year results are put at around £6.75m. (£8.27m.) with the third quarter contributing rather less than the final quarter. Also aiding the recovery would be the Crosfield Electronics concern after a strike affecting figures earlier in the year under review.

At the interim stage Securicor's profits were marginally lower despite a 28 per cent. jump in turnover, and though this trend may have improved in the second half, there is unlikely to be any dramatic profits movement against last year's £2.6m. The general recession did not seem to have much effect on the demand for the group's services, although it may have begun to bite during the summer. But the main problem for the group is increasing wage costs, and even when price rises have been obtained, long standing contracts have delayed adjustments to charges. The full year figures are due on Wednesday.

Also due next week are preliminaries for Manchester Ship Canal on Monday and Sir Bernard Wardle on Thursday; and interims for John James Group also on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Aaronson Bros.	Wednesday	0.45	1.034	0.5
A.C. Cars	Thursday	0.28	0.6	0.28
A.C.E. Machinery (Holdings)	Monday	—	2.581	—
Anglo-American Securities Corporation	Wednesday	0.7	1.45	1.0
Artagen Properties	Tuesday	0.609	0.789	0.75
British American and General Trust	Thursday	0.5	0.7	0.5
Cornercroft	Thursday	0.904	1.576	0.78
Crescent Japan Investment Trust	Friday	—	Nil	—
Direct Spanish Telegraph	Thursday	1.05	2.75	1.05
Hongkong and Shanghai Banking Corpn.	Tuesday	0.18	0.36	0.18†
Imperial Group	Tuesday	1.75	2.368	1.75
Law Debenture Corporation	Wednesday	1.225	2.307‡	1.0
Manchester Ship Canal	Monday	6.0	3.871	6.0
McCleery L'Amie Group	Monday	0.754	0.921‡	0.754
Pride and Clarke	Thursday	2.5	3.425	3.0
Scottish Western Investment	Monday	0.5	1.5	0.5
Securicor Group	Wednesday	0.228	0.73	0.241
Security Services	Wednesday	0.109	1.009	0.515
Tribune Investment Trust	Thursday	2.8	7.7	2.8
Ward Holdings	Friday	1.005	1.675	0.975
Bernard Wardle	Thursday	0.438	0.7	Nil
Thomas Winter	Thursday	0.7	1.858	0.183

INTERIM DIVIDENDS	Announcement due	Last year Int.	Last year Final
Bristol Evening Post	Tuesday	1.75	2.97(a)
C.C.H. Investments	Tuesday	Nil	Nil
Dalgety	Wednesday	4.33	3.8
Econa	Wednesday	0.6	1.12
F. S. Ratcliffe Industries	Monday	0.98	3.243
Albert Fisher Group	Friday	0.21	0.336
Gripperrods Holdings	Monday	1.34	1.972
Heywood Williams Group	Friday	Nil	Nil
John James Group of Companies	Thursday	0.575	1.25
William Ransom and Son	Thursday	0.694	1.813
Sandhurst Marketing	Thursday	0.581	1.125
Stroud Riley Drummond	Tuesday	0.375	0.375
Throgmorton Secured Growth Trust	Thursday	0.813	1.263
United Dominions Trust	Wednesday	Nil	Nil
Wades Departmental Stores	Wednesday	0.383	1.071
Wood Bastow Holdings	Thursday	1.0	2.497

INTERIM FIGURES ONLY	Announcement due
Attock Petroleum	Tuesday
Caledonian Trust	Monday
De La Rue	Tuesday§

* Dividends shown net, pence per share, and adjusted for any intervening scrip issue. † In Hong Kong dollars. ‡ Second interim. § Third quarter figures. § For 15 months. (a) Declaration of dividend only.

ds rights—profit

SUMMARY OF THE WEEK'S COMPANY NEWS

Over bids and mergers

bids and mergers front remained fairly quiet over the .. However, one surprise item of news was that shipping European Ferries has made bid overtures to the private pany Felixstowe Dock and Railway, which is currently roes of being taken over by the State-owned British Docks Board. The counter-bid proposals from EF, thought to involve an option of cash or shares, have veyed to Felixstowe Dock but are not being publicly at this stage. At an extra-ordinary general meeting nber, the Felixstowe Dock shareholders, despite a good pposition, voted to accept the BTDB's 150p per share , *worth a total of £5.2m.* And a private Bill to sanction acquisition is in the process of going through Parlia- hough objectors to the legislation are causing delays gress. The chances of EF's bid attempt succeeding State take-over seem slim, but the company is confident iblic approach will sufficiently influence opinion to pre- Bill reaching the Statute Book. The Felixstowe Dock re responded to the EF approach with a rise on the to 143p.

J. Gidney, the chairman of Warwick Engineering, is ing to take full control of the company through an d which is being made by the Gidney family's private Gidney Industrial Investments. The latter is offering cash or 26p nominal of 10 per cent. Unsecured Loan each Warwick share, valuing the whole equity at £1.6m. wick Board, holders of 74.7 per cent. of the Warwick dinary shares, intend to accept. Warwick also d sharply lower half-year profits and a nil interim divi- the company's advisers, Keyser Ullmann, recommend shareholders to accept the cash alternative. The inde- lirectors of Warwick also consider the terms fair and e.

betting and leisure combine Ladbroke Group has agreed se for 15p cash per share the 48.48 per cent. stake in rs and Greyhound owned by Estate House Investment Trust, and the same terms are to be offered to other shareholders. Ladbroke, which owns the Lingfield Park horse racecourse and has management of the Grand National, considers that greyhound racecourse management will be an ideal addition to their activities in the leisure/services industry.

Company bid for	Value of bid per share k	Market price k	Price before bid	Value of bid (£m's) k	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Anglo-Ecuardorian Oilfields	75*	74	64	6.75*	Clyde Petroleum	9/2
Ashbourne Invs.	206	41‡	41‡	—	Cnt. & Shrwd.	—
Bank Bridge	4½	4	5¼	0.8	Tranwood	—
British Benzol	29½	24	26	2.8	Tranwood	—
Brown Bros.	22*c	18	16	3.6*c	Dana Cpn.	9/2
Cessnock	260	260	240	1.9	McLeod Russel	—
Chaddesley Invs.	6½*d	9	6	0.13*d	Cie. Aux. Pour L'Industrie	—
Clover Dairies	167	160	92	10.0	Nthrn. Foods	—
Coated Metals	85*	95	75	1.0*	Walker (C.)	20/2
Consolidated Tea	351	340	360	4.2	McLeod Russel	—
Court Hotels	50*	32†	32‡	1.3*	BSQ Secs.	—
Emu Wine	142*d	153	127	1.4*d	Bell Bros. Holdings	—
Great Boulder	76½d	75	70	45.8d	Western Mng.	—
Greenwd. & Batley	38	38‡	38‡	0.46	York Trust	—
Gresham Hotel	135*	135	—	1.1*	Tunney S. Hls.	—
Highgate Optical	39*d	36	35	0.3*d	Bayfine	—
Janes (H. C.)	195	192	124	11.4	Barratt Devs.	—
Robinson Rentals	224d	210	160	8.1d	Granada	—
SA Distilleries	468d	430	380	7.5d	Oude Meester	—
Teith Hldgs.	432	395	330	4.1	James Finlay	—
Thompson-Reid	30	28	15	0.9	Charles Hurst	—
Tilley Lamp	50*d	48	38	0.2*d	Mr. R L Hersov	—
Totalisators and Greyhound	15*	15g	14	1.1*	Ladbroke	—
Trianco	7*d	7	6½	0.4*d	Cnt. & Shrwd.	—
Walmsley (Bury)	60*d	59	37	1.6*d	Beloit Cpn.	—
Warwick Eng.	26	25	21	1.6	Gidney In. Inv.	—
West Nile	432	395	330	2.9	James Finlay	—
Weston Pharm.	82	76½	47	11.6	Dixons Photo.	—

* All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on February, 6 1976. k Based on February 5, 1976. ‡ At suspension. † Bid.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Assocd. Fisheries	Sept. 30	2,026L	(5,611)	—	(11.6)	0.163	(3.525)
Bond St. Fabrics	Sept. 30	364	(267)	6.6	(4.7)	2.6	(1.7)
BAT	Sept. 30	276,480	(249,440)	53.7	(45.9)	11.068	(10.417)
Glass & Metal	Oct. 31	674	(611)	8.1	(7.0)	2.5	(2.35)
Goode Durrant	Oct. 31	886	(1,320)	1.4	(2.7)	0.788	(0.788)
Hill and Smith	Sept. 30	763	(601)	13.2	(11.9)	4.0	(3.64)
Hirst & Mallinson	Nov. 1	560	(434)	8.8	(6.5)	1.48	(1.39)
IDC Group	Oct. 31	1,013	(949)	20.6	(20.1)	7.601	(7.123)
Irish Cinemas	Oct. 31	64L	(15)L	—	(—)	Nil	(Nil)
Ladies Pride	Nov. 30	769	(438)	11.6	(6.4)	2.72	(2.5)
Mann and Overton	*Oct. 31*	*531*	*(550)*	*9.0*	*(9.3)*	*3.11*	*(2.92)*
F. Pratt Engng.	Oct. 31	1,348	(1,064)	13.1	(9.1)	3.917	(3.67)
Prestige Group	Dec. 31	4,748	(4,408)	12.6	(11.4)	4.549	(4.263)
Swan Ryan	Aug. 31	302	(458)	1.1	(1.9)	1.25	(2.125)
Wagon Finance	Dec. 31	1,438	(526)	7.2	(3.2)	3.0	(1.5)
Westinghse. Brake	Sept. 27	3,454	(2,366)	4.4	(2.4)	1.731	(1.622)
Whatlings	Sept. 30	233	(215)	1.1	(1.2)	0.447	(0.419)
White Child	Sept. 28	947	(1,106)	7.1	(8.0)	2.934	(2.75)

Rights Issues

Montague L. Meyer: One-for-three at 54p each.

Triplex Foundries: Three-for-ten at 42p each.

Scrip Issues

Hill and Smith: One-for-one.

Ladies Pride Outerwear: One-for-five.

Mining Supplies: Two-for-one.

Unitech: One-for-one.

White Child and Beney: One-for-ten.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Abbey	Oct. 31	220	(603)	0.5†	(1.0)
Benn Brothers	Dec. 31	197	(104)	0.5	(0.438)
Beyer Peacock	Sept. 28	31	(93)	Nil	(Nil)
Christie-Tyler	Nov. 2	1,405	(415)	2.3	(2.0)
Cntry. & New Twn.	July 31	137	(139)	—	(—)
Decca	Sept. 30	5,439	(5,617)	2.7	(2.1)
Dowty Group	Sept. 30	6,152	(4,200)	2.7	(2.59)
Ellis & Everard	Oct. 31	525	(291)	1.5	(1.25)
Felixstowe Dock	Dec. 31	219§	(209)	Nil	(2.345)
Helical Bar	Nov. 1	83	(142)	1.0	(1.0)
Hillards	Nov. 8	502‡	(356)	1.0	(0.84)
Mining Supplies	Oct. 25	685	(353)	Nil	(Nil)
Morgan Edwards	Oct. 11	57‡	(136)	1.08	(0.828)
Nolton Estates	Oct. 31	63	(59)	0.27	(0.316)
Owen & Robinson	Nov. 30	16L	(66)	6.0	(6.0)
Benjamin Priest	Sept. 28	344	(443)	0.985	(0.944)
Regional Props.	Sept. 30	246L	(308)	Nil	(0.67)
J. Saville Gordon	Oct. 30	391	(412)	0.7	(0.64)
SEET	Oct. 31	175	(134)	0.3	(Nil)
Wm. Sommerville	Nov. 11	42L	(113)	0.5	(0.875)
Stoddard Hldgs.	Nov. 30	403	(209)	0.938	(0.879)
Unitech	Nov. 29	541	(681)	2.275	(2.345)
Vibroplant	Sept. 30	914	(856)	3.575	(3.518)
Woodmill Property	Mar. 31	216L	(105)	Nil	(Nil)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † Gross. ‡ For 28 weeks. § For 24 weeks. L Loss.

Offers for sale, placings and introductions

LASMO and SCOT: In total issuing 7.5m. Oil Production Stock Units at 10p each, also £75m. 14 per cent. Unsecured Loan Stock *1981-83* at *£100 per cent.*

ra Trust for sale

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BIDS AND DEALS

PMPA makes 110p offer for New Ireland Assurance

BY ERIC SHORT

PMPA INSURANCE, the largest private and commercial motor insurers in the Republic of Ireland, has informed New Ireland Assurance that it intends to make an offer for the shares not already held at 110p each.

PMPA at present holds almost 30 per cent. of the equity of New Ireland, the second largest life assurance company in the Republic. It acquired 20 per cent. last August from the Fitzwilton Group for £1.1m., as part of the latter company's plans to reduce borrowings. PMPA has since bought nearly a further 10 per cent. of New Ireland's capital, mostly in private block transactions.

The Board of New Ireland is advising shareholders not to take any action pending clarification of the bid details and the attitude of the Department of Industry and Commerce. The Department announced last August at the time of the Fitzwilton sale that it would be unhappy if PMPA's stake in New Ireland exceeded 30 per cent. It has been informed of the proposed action of PMPA but has made no comment so far.

The takeover approach is far from welcome and a company spokesman said the existing Board of New Ireland is expected to oppose it. Directors and family holdings account for 28 per cent. of the capital—about the same size as the PMPA holding. Most of the remaining shares are held in the Republic, although there is a 2 per cent. block held in Jersey.

Under the insurance legislation of the Republic, life and non-life business has to be operated quite separately, so in the event of the bid being successful, PMPA could only merge the operations of the general life subsidiary of New Ireland with its existing business.

The listing of New Ireland shares on the Dublin Exchange has been temporarily suspended at a price of 90p.

SHARE STAKES

Archimedes Investment Trust announces that the Post Office Staff Superannuation Fund has ceased to have a notifiable interest in the Income shares; but it still retains its 40 per cent. holding in the Capital shares.

Deltenne Holdings announces that Talorose now holds $250,000 Ordinary shares in the company.

Clydesdale Bank (London) nominees, hold 1,250,000 Ordinary shares in the Richards, representing 9.72 per cent. of the total voting capital.

British Borneo Petroleum Syndicate announces that Consolidated Gold Fields has increased its holding in the company by 100,000 stock units and now holds a total of 1,104,000.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1975/6 High	Low	Stock	Closing Price p	+ or –	Net Dividend	Times Covered	Gross Yield	P/E Ratio
50c U.S.$	F.P.	—	640	490	Ang.Am.Coal Corp.50c	490	–10	[illegible]	[illegible]	[illegible]	[illegible]
—	F.P.	—	$12¼	$12¼	Brazil Fund S.A.	$12¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
—	F.P.	—	£43	£39½	Hughes Tool $1	£42½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price p	Amount Paid up	Latest Renunc. Date	1975/6 High	Low	Stock	Closing Price p	+ or –
‡£100	[illegible]	[illegible]	[illegible]	[illegible]	Arbuthnot Lath. 8% Conv. Uns. 1986	[illegible]	[illegible]
‡£100	[illegible]	[illegible]	[illegible]	[illegible]	Bowring (C.T.) 10% Conv. Uns. Ln. 1987	[illegible]	[illegible]
$100	[illegible]	[illegible]	[illegible]	[illegible]	British Gas Corporation Ltd. Notes 1981	[illegible]	[illegible]
£98	[illegible]	[illegible]	[illegible]	[illegible]	Essex Water 9% Red. Pref. 1981	[illegible]	[illegible]
‡HK$	[illegible]	[illegible]	[illegible]	[illegible]	Jardine Math. 7¾% Conv. Uns. 1990	[illegible]	[illegible]
$100	[illegible]	[illegible]	[illegible]	[illegible]	Midland Bk. FloatCap. Notes 1983	[illegible]	[illegible]
$100	[illegible]	[illegible]	[illegible]	[illegible]	Norway 8¼% Notes 1981	[illegible]	[illegible]
£100	[illegible]	[illegible]	[illegible]	[illegible]	Pentos 10% Conv. Uns. 1985	[illegible]	[illegible]
$100	[illegible]	[illegible]	[illegible]	[illegible]	Royal Tst. Mort. Corp. 9¼% Deb. 1981	[illegible]	[illegible]
$100	[illegible]	[illegible]	[illegible]	[illegible]	Seagram 9% Notes 1983	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] 10% Con. Cuv. Pref.	[illegible]	[illegible]
‡£100	[illegible]	[illegible]	[illegible]	[illegible]	Tenneco 10% Sterling & Conv. 91-95	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1975/6 High	Low	Stock	Closing Price p	+ or –
10	F.P.	[illegible]	[illegible]	[illegible]	Amber Day	[illegible]	[illegible]
54	F.P.	[illegible]	[illegible]	[illegible]	Armitage Shanks	[illegible]	[illegible]
50	Nil	[illegible]	[illegible]	[illegible]	Baker Perkins	[illegible]	[illegible]
25	F.P.	[illegible]	[illegible]	[illegible]	Berisford (S & W)	[illegible]	[illegible]
55	F.P.	[illegible]	[illegible]	[illegible]	Brentnall Beard	[illegible]	[illegible]
32	F.P.	[illegible]	[illegible]	[illegible]	Brooke Bond	[illegible]	[illegible]
35	Nil	[illegible]	[illegible]	[illegible]	Brown Boveri Kent	[illegible]	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	Eagle Star	[illegible]	[illegible]
60	F.P.	[illegible]	[illegible]	[illegible]	Fairey	[illegible]	[illegible]
57	F.P.	[illegible]	[illegible]	[illegible]	Green's Economisers	[illegible]	[illegible]
50	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
15	Nil	[illegible]	[illegible]	[illegible]	Laser Concrete Machinery	[illegible]	[illegible]
$1.50	F.P.	[illegible]	[illegible]	[illegible]	Nat. Bank of Aust.	[illegible]	[illegible]
110	Nil	[illegible]	[illegible]	[illegible]	Ocean Transport	[illegible]	[illegible]
60	Nil	[illegible]	[illegible]	[illegible]	Plessey	[illegible]	[illegible]
64	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
80	Nil	[illegible]	[illegible]	[illegible]	Strong & Fisher	[illegible]	[illegible]
10	F.P.	[illegible]	[illegible]	[illegible]	Triumph (F.H.)	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. a Figures based on prospectus estimate. b Figures based on prospectus or other official estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. ... unless otherwise indicated. ‡ Forecast dividend; cover based on previous year's earnings. ... † Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ‡ Offered to holders of Ordinary shares as a "rights." ... by way of capitalisation. ... in connection with reorganisation, merger or take-over. ... Introduction. ... former Preference holders. ‡ Allotment letters (or fully-paid). ‡ Provisional or partly-paid allotment letters. ‡ With warrants.

HTV to acquire Frost & Reed

By Keith Lewis

HTV, the Welsh television programme contracting company, is to make an agreed offer for fine art dealers Frost and Reed, which is based in Bristol.

Terms are one non-voting HTV share, plus 244p cash, for every two Frost and Reed shares and place a total value on the offer of almost £1.9m., or 151½p per share at last night's closing prices. HTV, which is also offering a cash alternative of 145p per share, ended 1p higher last night at 59p, while F and R added 10p to 146p.

HTV already holds some 28.9 per cent. of the equity, having acquired a 16 per cent. equity stake from Amalgamated Investment and Property last December. Shareholders representing a further 18.9 per cent. have irrevocably accepted the HTV offer, bringing the total commitment to 47.8 per cent. of the capital.

HTV, which on occasions has been *criticised for its lack of* diversification, sees the acquisition as a sound local move and also a switch to a related field in art. Frost and Reed's financial position is also sound; the last balance sheet showed cash of almost *£1.2m.* The *Independent* Television Authority has given its consent to the bid.

A statement issued yesterday confirmed that the existing business of Frost and Reed would be maintained and developed. Upon the offer becoming unconditional Lord Harlech will be invited to join the Board of F and R.

CHANGED TERMS FOR GRAFTON OPTICAL

The terms for the acquisition by Leadenhall-Sterling, the investment holding company, for Grafton Optical have been altered from those originally announced last September. L-S has paid £187,000 in cash, and a further cash payment of £11,000 will be made on July 1. Under the original agreement Leadenhall was to have paid £152,000 cash plus a further sum equal to 25 per cent. of Grafton's pre-tax profits over a three-year period *ending in 1978.*

All profits of Grafton will accrue to Leadenhall from July 1, 1976.

H. C. JANES

The Barratt Developments offer for H. C. Janes *has been declared* unconditional. Acceptances have been received in respect of 5.7m. Ordinary shares (97.2 per cent.) —acceptors in respect of 2.75m. shares have elected for the partial cash alternative, which is no longer available. The offer remains open.

LONRHO BUYS

Agreement has been reached by which Lonrho has acquired 236,967 shares in SPR Investments. The consideration is the issue to Kingside Investment of 199,052 Lonrho shares.

As a result of the transaction, the Lonrho Group's holding in SPR Investments will be 1,180,000 shares (29.5 per cent.) of the equity.

GRANADA GROUP

The scheme of arrangement between Granada Group and Robinson Rentals has become effective. Holders of some 85 per cent. of the scheme shares have elected to receive 8,626,515 new "A" shares in Granada and the payment of approximately £1.1m. cash.

MINSTER INSURANCE

The agreement for the acquisition by Groupe des Assurances Nationales of 40 per cent. of the equity of Minster Insurance has been approved. It is anticipated that completion will take place on February 12.

L & C auditors under fire

Mr. Leslie Harris, the Eastbourne chartered accountant who set up the Shareholders Investment and Management Ginger Group is raising the question of whether or not shareholders of London and County Securities, the failed secondary bank, should consider taking action against the auditors over their unqualified report on the 1973 accounts.

Mr. Harris said eysterday that he was inviting shareholders to contact him "to arrange a meeting to consider whether shareholders should jointly co-operate with regard to deciding whether to take action against the auditors of the company regarding their certificate on the report presented to shareholders."

He also felt shareholders needed more information on subsidiaries and the various loan accounts "and would naturally want to discuss with Mr. Atkins."

Mr. R. V. Atkins, an accountant formerly with Harmood Banner, the auditors, disclosed after publication of the Department of Trade Inspectors report that he had resigned because he accepted no responsibility for the audit report.

Glasgow Stockholders

Revenue of Glasgow Stockholders *Trust* was *slightly* more than maintained at £376,067 compared with £370,974, in 1975, before tax of £131,545 (£137,883). Gross revenue amounted to £572,122 against £599,384.

The net dividend is raised from *2.8p to 2.85p* net, with a final of 1.85p. In addition a one-for-two scrip issue is proposed.

Net asset value per share was 162p (84p).

AIP BOARD CHANGES

Mr. Peter Olsberg, chief executive of Amalgamated Investment and Property, is also becoming chairman of the company. Mr. *Jessel Harrison*, chairman since the death of Gabriel Harrison in late 1974, has been "advised that he must reduce his commitments."

Mr. Harrison has recently taken over as managing director as well as chairman of Slimma Group. He is resigning from the board of AIP. Mr. H. Denton is also resigning as a director, for family reasons.

Leigh Mills profits cut

Pre-tax profits of worsted manufacturers, the Leigh Mills Company dropped from £77,400 to £24,760 in the six months ended October 31, 1975, after charging interest of £5,250 (£2,414). Taxable profits in the year ended April 30, 1975, were £192,543.

First half turnover was little changed at £1.38m. (£1.30m.).

The chairman, Mr. E. Hall, says that trading conditions have sharply deteriorated since his last report and seem likely to remain difficult for the rest of the year. However, the modernisation programme is nearing completion and the group is well equipped to take advantage of the upturn in demand.

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Index reacts another 9.91

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Feb. 6.

FURTHER SHARP losses developed on Wall Street to-day, attributed to a combination of recently rising short-term interest rates, plus profit-taking on the soaring stock market gains of January.

The Dow Jones Industrial Average gave way another 9.91 to 954.90, making a loss of 20.38 on the week, while the NYSE All Common Index, at $52.97, lost 47 cents on the day and 58 cents on the week. Losses led gains by a two-to-one majority, while the trading volume further decreased 6.42m. shares to 27.36m.

The report that unemployment in January fell to an adjusted 7.8 per cent. from 8.3 per cent. in December had little effect upon the Stock Markt.

Oil and Gas companies affected by the House Bill showed sharp losses.

Coastal States Gas Producing were down $2¾ to $11⅜. Mesa Petroleum $2⅝ to $23⅛, Pioneer $2¾ to $33⅜, Texas astern Transmission $2⅞ to $31⅜, Superior Oil $15½ to $176, Louisiana Land and Exploration $1½ to $25, Houston Natural Gas $4 to $57 and Helmerich and Payne $2¾ to $35.

In Oils, Exxon fell $¾ to $90⅞, Phillips Petroleum $1½ to $56⅛, Atlantic Richfield $1¼ to $87⅛, California Standard $1¾ to $31⅜ and Pennzoil $1 to $25.

Inspiration Consolidated Copper were lowered $2 to $23¾ on a fourth-quarter net loss and omission of dividend.

Teledyne jumped $6¼ to $38 on plans to offer to purchase up to 1m. of its Common at $40 each.

Houston Oil and Minerals shed ⅜ to $36⅜.

The American SE Market Value Index moved down 0.78 to 97.16, reducing its rise on the week to 0.87.

OTHER MARKETS

Canada again lower

Canadian Stock Markets lost further ground yesterday, with Golds, up 3.74 on Index, moving against the general trend.

The Industrial Share Index dipped 0.99 to 187.79. Base Metals 0.44 to 83.19, Western Oils 1.47 to 211.35, Utilities 0.73 to 136.82, Banks 5.85 to 242.80 and Papers 1.00 to 119.81.

PARIS—Generally steady.

Most Electricals and Stores lost ground, but Foods, Constructions and Metals rose, while Motors, Engineerings and Chemicals were steady. Oils and Transports were mixed, Banks eased.

Foreign sector mixed, with Americans lower. Golds up, Germans steady, Dutch shares mixed.

BRUSSELS—Losses slightly outnumbered gains.

Metals were mixed. Chemicals and Oils eased. Steels mostly lower. Electricals and Utilities narrowly irregular.

AMSTERDAM. — Predominantly lower.

Banks, Insurances, Transportations and Industrials mostly declined.

Nederlanse Dagblad Unie moved up Fl.24 to 167 on unchanged cash dividend of 14 per cent., while OCE rose Fl.3.3 to 182.5 on its dividend and higher provisional net profit year ended November 30.

OSLO—Banks weaker, Insurances and Shippings quiet, Industrials eased.

VIENNA—Quietly steady.

COPENHAGEN—Slightly lower in very active dealings.

MILAN — Mixed in reduced trading.

SWITZERLAND — Generally lower in brisk trading.

Banks, Financials, Insurances and Industrials declined, Chemicals were mixed, while other sectors were steady.

GERMANY—Mixed trend.

Leading Chemicals and Electricals met large buying orders and gained up to DM3.50. Motors, Machinery, and Steels were mostly unchanged, but leading Banks shed up to DM2, while Stores were mixed.

TOKYO—Sharply lower, reflecting reports of alleged bribes by Lockheed Aircraft in Japan, and warnings issued by Tokyo Stock Exchange against speculative transactions. Volume 210m. (310m.) shares.

AUSTRALIA—Prices retreated across a broad front, following depressing results by BHP, off 8 cents at $A6.74, plus sustained profit-taking.

Pancontinental came back $A1.90 to $A15.20, Queensland Mines lost 15 cents at $A2.30 and Kathleen also lost 15 cents at $A1.53.

Robe River jumped 12 cents to $A1.00 on speculation Bond Corporation might sell its holding in the company.

JOHANNESBURG—Gold shares were fairly steady, Financial Minings firm. Platinums little changed, Copper lower.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.†	Util.	Trading volume 000's
Feb..					
6 ...	71.16	198.36	954.90	89.82	27,360
5 ...	71.23	199.82	964.81	91.15	35,780
4 ...	71.16	201.94	976.62	91.90	36,270
3 ...	71.16	199.45	972.61	91.29	34,080
2 ...	71.21	199.05	971.36	91.00	24,000
Jan..					
30 ...	71.38	199.36	975.28	90.87	38,510
29 ...	71.20	198.05	968.75	91.07	29,800
28 ...	71.15	196.64	951.35	90.55	27,370
27 ...	70.92	197.26	957.81	90.75	32,070
26 ...	70.94	197.26	961.51	90.65	34,470
23 ...	70.90	197.33	953.95	90.62	33,640
22 ...	70.85	195.67	943.43	89.98	27,420
21 ...	70.85	195.77	946.34	90.24	34,470
20 ...	70.75	197.42	949.86	90.39	36,690
19 ...	70.67	196.08	943.72	90.30	29,450
16 ...	70.68	191.32	929.63	89.95	25,940
15 ...	70.54	190.33	924.51	89.34	38,450
14 ...	70.36	190.69	929.63	89.24	30,340
1975-76					
High	71.23 (6/2/76)	201.94 (4/2/76)	976.62 (4/2/76)	91.98 (4/2/76)	—
Low	68.16 (5/1)	148.47 (2/1)	852.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	165.32 (20/4/65)	38,510 (30/1/76)
Low	—	13.25 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Jan. 30	Jan. 23	Jan. 31 1975
3.83	3.92	5.38

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975-76 High	1975-76 Low	Feb. 6	Feb. 5	Feb. 4	Feb. 3	Feb. 2
54.24 (4/2/76)	37.06 (2/1/75)	52.97	53.44	54.24	53.89	53.58

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1.1910	500	1.031	379

	Feb. 6	Feb. 4	Feb. 3	Feb. 2	Jan 30
New Highs	220	587	508	212	549
.. Lows	2	nil	one	Nil	Nil

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

	1975-76 High	1975-76 Low	Feb. 6	Feb. 5	Feb. 4	Feb. 3	Feb. 2
	98.62 (4/2)	62.20 (2/1/75)	97.16	97.94	98.52	97.94	96.87
Volume (000's)			3,080	4,800	5,360	5,880	3,160

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Feb. 5	112.55	100.39
Feb. 6	111.53	99.46
.. 4	114.31	101.91
.. 3	113.47	101.18
.. 2	113.12	100.87
Jan. 30	113.10	100.64
.. 29	112.23	100.11
1975-76 High	114.31 (4/2/76)	101.91 (4/2/76)
1975-76 Low	77.71 (8/1/75)	70.74 (8/1/75)

* 425 Industrials. † 425 Industrials, 50

STOCK AND BOND YIELDS

	Jan. 28 1976	Jan. 21 1976	Feb. 5 1975
Ind. Ord. p/e ratio ...	13.57	13.53	8.64
Ind. Ord. yield pc ..	3.42	3.42	4.34
Long-term Govt. Bds. per cent.	5.83	5.81	6.21

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Coastal States Gas	615,700	11⅜	−2¾
Gulf Oil	437,400	24⅞	−⅛
Winnebago	280,900	5⅞	−1
Penn Central	233,200	2½	+⅛
Amer. Tel. and Tel.	227,000	54½	+⅛
Citicorp	216,200	35½	+½
Merrill Lynch	215,000	23⅞	+¼
Polaroid	187,300	38⅛	−1
Avon Products	182,200	49⅞	−1¼
Westinghouse Elec.	175,400	15⅜	−⅛

TORONTO

INDUSTRIAL INDEX

Feb. 6	Feb. 5	1975-76 High	1975-76 Low
187.79	188.78	196.50 (15/7)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Feb. 6	Feb. 5	1975-76 High	1975-76 Low
195.68	196.13	203.61 (15/7)	159.03 (2/1)

COMBINED INDEX

Feb. 6	Feb. 5	1975-76 High	1975-76 Low
189.04	190.06	198.00 (12/7)	156.05 (2/1)

JOHANNESBURG

	Feb. 6	Feb. 5	1975-76 High	1975-76 Low
Industrials ...	213.6	215.7	236.9 (16/7)	183.2 (23/1)
Golds	211.7	209.1	379.1 (2/1)	199.2 (9/12)

(1958=100) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50, Leading Stocks	Feb. 5	Jan. 29	Jan. 22
On Dividends.....	5.56	5.43	5.44
On Earnings......	9.26	8.97	8.99

SYDNEY ALL ORD. INDEX

Feb. 6	Feb. 5	High 1975-6	Low 1975-6
449.90	453.09	472.05 (23/1/76)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Feb. 6	Feb. 5	High 1975-6	Low 1975-76
338.71	341.68	342.84 (1/2/76)	268.24 (10/1)

HONG KONG INDEX Φ

Feb. 6	Feb. 5	High 1975-6	Low 1975-6
412.07	431.02	434.48 (4/2/76)	160.42 (9/1)

SINGAPORE INDEX §

Feb. 6	Feb. 5	High 1975-6	Low 1975-6
277.58	282.01	286.16 (3/2/76)	153.26 (8/1)

EUROPE

	Feb. 6	Previous	1975-6 High	1975-6 Low
Belg'm (a)	115.02	113.18	115.81 (5/2/76)	89.07 (2/1)
Denm'k (b)	102.29	102.94	107.79 (27/1/76)	78.06 (15/1)
France (d)	70.2	70.2	72.6 (25/4)	51.70 (2/1)
Germ'y (e)	795.7	796.2	797.0 (5/1/76)	675.3 (2/1)
Holland (f)	104.1	105.3	107.6 (6/6)	85.2 (2/10)
Italy (g)	85.96	86.04	108.86 (21/2)	75.41 (17/10)
Spain (h)	94.59	94.95	110.95 (22/4)	91.85 (19/8)
Sweden (k)	416.59	416.96	417.74 (4/2/76)	310.58 (9/1)
Switz'rl'd (m)	296.5	297.0	297.7 (15/1/76)	206.5 (2/1)

Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. Φ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

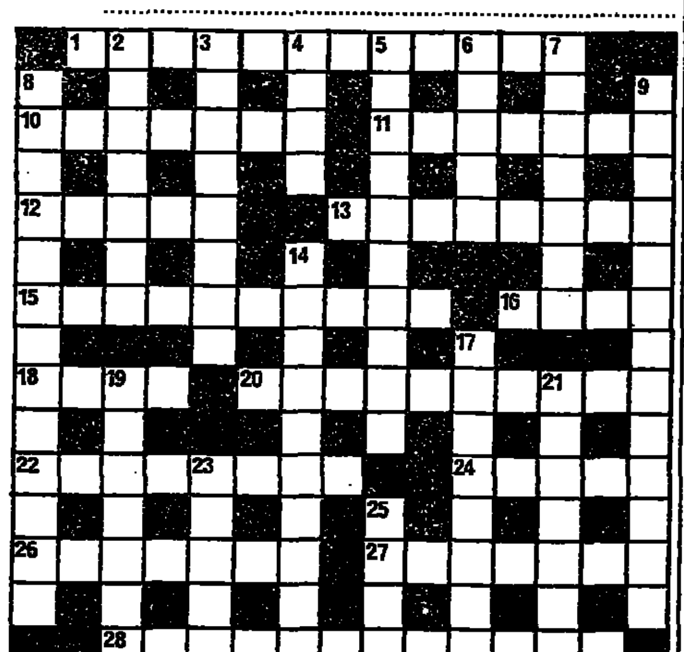
F.T. CROSSWORD PUZZLE No. 2,999

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



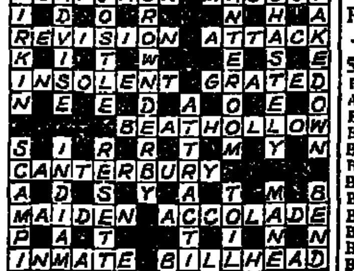
ACROSS

1 Say a lot for address books (5, 7)
10 Royalty takes to the street in Edinburgh (7)
11 Beastly coat Northern Ireland's hothead has to provide (7)
12 Alert maybe at some other time (5)
13 Wealth of NE couple used some other way (8)
15 Upset performance by kind of dove (4, 6)
16 Country dealing with Republican organisation question (4)
18 Every part of inside aches (4)
20 Small southern town gains victory over London club (10)
22 Just the way things are going at the end of day (8)
24 Look at purchase tax on this shade of cloth (5)
26 Ivan ran amok on reaching Buddhist paradise (7)
27 Can be used as diluent but not as stout (7)
28 What Irishman wrote about boss encouraging handy strike (3, 2, 3, 4)

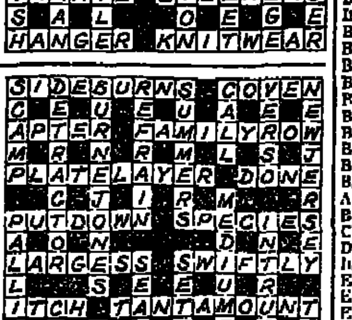
DOWN

2 Hint dropped by dog (7)
3 Current junior minister is absolutely right (8)
4 Virginia is on way to becoming enormous (4)
5 It assures an energy programme (4, 6)
6 Lesson to be learned of which Frenchman has spoken (5)
7 Revolutionary slow bowler (7)
8 Tell how to upset runners (5, 3, 5)
9 Rugby backs only a fraction (5-8)
14 Have intelligence to drink to export of talent (5, 5)
17 Spring approaching—almost (4-4)
19 Tidy with not a cloud in sight (5, 2)
21 South African vehicle has an upset in tropical plain (7)
23 Soundly followed trail of sermon (5)
25 A hut when renovated reveals state of America (4)

SOLUTION TO PUZZLE NO. 2,998



SOLUTION AND WINNERS OF PUZZLE No. 2,993



Following are the winners of last Saturday's prize puzzle:

Mr. F. Astley, 21a Lindfield Gardens, London NW3 6PX.

Mr. P. F. Coltman, 24 Harlow Moor Drive, Harrogate, North Yorkshire.

Mr. J. V. Rawcliffe, 50 Park Road, Blockley, Glos.

Thatcher praises new approach to education

BY PHILIP RAWSTORNE

THE INAUGURATION of the independently financed University College of Buckingham represented a "genuinely fresh approach to the real conditions of modern education," Mrs. Margaret Thatcher, the Conservative leader, said yesterday.

Mrs. Thatcher speaking at the opening ceremony, said that the college could play a vital role in thinking out in contemporary terms the essentials of education.

"A relative indifference to cost was a luxury of easy times. It is not a law of the universe that the pursuit of learning and culture should inevitably be a comfortable and riskless engagement."

In spite of its achievements, the increasing State monopoly of education had created a "debilitating mood" in which too many people relied on the State for new initiatives.

Michael Dixon writes: The University College at Buckingham, which started its first two-year courses on Monday, is the outcome of a seven-year-old plan which began with hopes of a full-scale Independent University with 4,000 to 5,000 students.

In the event, it has begun with only 75, mostly studying law, and paying fees of £1,500 plus about £800 for board and lodging. About one in three comes from abroad.

Professor Max Beloff, the principal, firmly believes that student members will increase in future especially since, being free from State financing, the college has room for considerable innovation.

Partly because of their brevity, the courses were not approved for degrees by the Council for National Academic Awards, but Professor Beloff says that the "licences" which will be given to successful students have been accepted as equivalent to degrees by the legal profession and as qualifications for postgraduate studies by about six U.K. universities.

Man wins Esso fight

A MAN's lengthy, single-handed battle with Esso ended in victory yesterday—after eight years of litigation.

Mr. Philip Mardon had run an Esso service station at Southport, Lancashire, but the venture turned into what a judge described as a "tragic story of wasted endeavour and financial disaster" because of a fatal error by Esso in assessing petrol sales.

Yesterday, Mr. Mardon, aged 52, of Roselea Drive, Southport, won an Appeal Court claim for an increase in his High Court award of £9,007 against Esso, owners of the service station in Eastbank Street.

He claimed he had been financially ruined because he took on the station tenancy on the understanding that it could sell 200,000 gallons a year, whereas it sold only about 78,000 gallons.

Lord Denning, Master of the Rolls, said that Mr. Mardon succeeded on all the points raised in his appeal. He was entitled to about £14,000 for his capital loss. The amount of interest and loss of earnings would be decided later.

The judge said Mr. Mardon's troubles arose because Esso thought they could have the station forecourt and pumps fronting on to the busy main street. Southport Corporation refused to allow this and insisted that the station should be built with the pumps accessible only from side streets.

Esso made a "fatal error" by sticking to their original estimate of 200,000 gallons and appointed Mr. Mardon as tenant on that basis.

Mr. Mardon put all his £6,000 capital into the business and raised an overdraft.

A year ago, Mr. Justice Lawson awarded Mr. Mardon £9,007 after describing the case as a "tragic story of wasted endeavour and financial disaster."

SPAIN ♥

February 6	Per cent.	
Asland	238	+ 0.50
Banco Lopez Quesada	730	− 5
Banco Bilbao	873	[illegible]
Hidrola	128.75	+ 1.25
Iberduero	174	− 0.75
Motor Iberica	223	—
Olarra	770	—
[illegible]	[illegible]	[illegible]

OVERSEAS SHARE INFORMATION

NEW YORK

Stock	Feb. 6	Feb. 5
[illegible]	[illegible]	[illegible]

CANADA

Stock	Feb. 6	Feb. 5
[illegible]	[illegible]	[illegible]

GERMANY ♦

Feb. 6	Price Dm.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PARIS

Feb. 6	Price Frs.	+ or −	Div. Frs.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STOCKHOLM

Feb. 6	Price Kronor	+ or −	Div. Kr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

Feb. 6	Price Lire	+ or −	Div. Lire	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWITZERLAND ●

Feb. 6	Price Frs.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

Feb. 6	Price Fls.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS/LUXEMBOURG

Feb. 6	Price Frs.	+ or −	Div. Net	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OSLO ◆

Feb. 6	Price Kroner	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VIENNA

Feb. 6	Price %	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Feb. 6	Aust. $	+ or −
[illegible]	[illegible]	[illegible]

TOKYO ¶

Feb. 6	Prices Yen	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source Nikko Securities

COPENHAGEN

Feb. 6	Price Kroner	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

JOHANNESBURG

MINES

February 6	Rand	+ or −
[illegible]	[illegible]	[illegible]

INDUSTRIALS

	Rand	+ or −
[illegible]	[illegible]	[illegible]

هكذا صدر الأصل

Midway slump by Steinberg

FOR THE six months ended September 30, 1975, profits before tax of the Steinberg Group fell sharply from £391,000 to £15,000. In the year to March 31, last year, profits had slipped from £825,000 to £628,733.

Earnings per share in the first half are shown as 0.0205p (*1.4291p*). *The latest result in*cludes trading losses in Pell of Norwich up to the date of closure of the footwear division.

Directors say that, as forecast, the Norwich-based handbag divisions have been restored to profitability.

Earlier indications of maintained profitability in the wholesale and retail clothing divisons were not sustained and results were seriously affected by extremely difficult trading conditions.

Consequently substantial provision has been made for potential losses on stockholdings. Adverse conditions have continued since September and figures for the period to March, 1976, will undoubtedly be affected, the Board states.

Measures taken are expected to restore profitability for 1976-77 and in view of the financial strength and the fact that the current difficulties are seen as short term, the directors have decided to maintain the net interim dividend at 0.32p per share—the total last year was 0.86p.

	6 months 1975 £000	1974 £000	Year 1974 £000
Turnover	7,487	6,073	13,785
Profit	15	391	628
Tax	10	205	347
Net profit	5	186	281
Minorities	1	—	—
* Extraordinary debits	52	41	132
Dividends	†37	42	115
From reserves	85	‡103	434

* Terminal losses of footwear division. † After waivers by chairman. ‡ To reserves.

Longton Transport downturn

TAXABLE profit of £275,796—almost £100,000 less than the previous comparable period—is announced by Longton Transport (Holdings) for the half year to September 30, 1975. For the full year 1974/5 the figure was *£734,301*.

Stated earnings per 25p share for the first half are 3.62p (4.98p) basic or 2.28p (3.14p) fully diluted. The interim dividend is being raised from 0.705625p to 0.8p net —the last full year's payments totalled 2.889075p.

At the annual meeting last October the chairman, Mr. E. G. Dale described the first quarter results as profitable but "disappointing" and said there were little signs of any upturn in business.

The company's business is in road transport, storage and distribution, steel stockholding, engineering supplies, vehicle distribution and crane hire.

	Half year 1975 £	1974 £
Turnover	9,114,046	7,747,478
Trading profit*	498,234	509,443
Bank & loan interest	222,438	135,501
Profit before tax	275,796	373,942
Tax	130,000	174,000
Net profit	145,796	199,942

* After charging depreciation.

The decrease in pre-tax profit, say the directors, is largely accounted for by reduced profit margins, greater interest charges and the abnormal conditions prevailing in steel stockholding in the early part of the half-year.

Stocks have been much reduced since March 31, 1975 and are now at "satisfactory levels."

Since September 30, 1975 the steel division has shown a very marked improvement in sales and profitability and this improvement continues. The installation of the slitting line was considerably delayed but the plant is now in production and should make a useful contribution to the future profits of this division, they add.

The directors feel that the general outlook for the group is now much brighter and it is anticipated that the profit in the second half of the current financial year should show an improvement on the first half.

'Industrial legislation a nightmare'

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

THE EFFECTS of the mass of legislation on industrial democracy, health and safety, employment protection, race discrimination and other employer-employee relationships would be "an employers' nightmare," Mr. Dick Perry, President of the West Midlands Engineering *Employers' Association*, forecast yesterday at the annual meeting in Birmingham.

The Government, he said, had openly admitted that the legislation had been drawn up in favour of trades unions and employees, and that mistakes and bad practices by employers would be heavily penalised.

He foresaw a vast increase in the number of industrial tribunal cases brought against employers. These had already started to rise even though the effects of legislation had not yet been felt.

In the first quarter of the year the association dealt with 12 cases before tribunals. In the last quarter the number was 41, while the number of applications for hearings had increased from 25 to 152.

Mr. Perry welcomed the new procedure agreement with the Confederation of Shipbuilding and Engineering Unions for manual workers, of which the Association was one of the chief architects.

The effects of the £6 a week pay policy had been reflected in the replacement of remuneration by working conditions as the chief cause of disputes among manual workers, said Mr. Perry.

Tory calls for review of trade with Russia

BY PHILIP RAWSTORNE

AN URGENT review of the Government's "lunatic" trading arrangements with Russia and other east European countries was demanded yesterday by Mr. Terence Higgins, Conservative shadow trade secretary.

More rapid and effective action was needed against the "dumping" of subsidised exports from eastern Europe particularly of textiles he said at Worthing.

Export credit and repayment terms on our exports of capital goods to the Comecon countries meant that industrial investment there could be carried out on a much more favourable basis than that available to our own industrialists.

Blatant flag discrimination meant that while 15 per cent. of U.K. exports to Russia were carried in British vessels some 82 per cent. were carried by Soviet lines. But only 5 per cent. of Russia's exports to Britain were carried in British vessels compared with 79 per cent. in vessels under the Soviet flag.

Stockbrokers end trading

THE London stockbroking firm of Athur Woods is to cease trading from March 19.

One of the two partners of the firm, Mr. A. K. Andrews, is to become associated with another firm of stockbrokers Raphael Robinson and Glyn. All outstanding obligations will be settled by Mr. Andrews and his partner, Mr. D. W. Cosshall. A third partner in the firm died last year.

NCB buys drill rig for £¼m.

A £250,000 U.S. surface drilling rig has been bought by the National Coal Board for an exploration programme. It is at the Board's new drilling depot at Rufford Colliery, North Nottinghamshire.

TV Top 20

			Homes viewing (m.)
1	Sale of the Century	Angl.	8.25
2	This is your Life	Thms.	8.10
3	Crossroads (Thursday)	ATV	7.90
4	Crossroads (Tuesday)	ATV	7.85
4	Crossroads (Friday)	ATV	7.85
6	Crossroads (Wednesday)	ATV	7.80
7	Opportunity Knocks	Thms.	7.75
8	Coronation Street (Monday)	Gran.	7.60
8	Celebrity Squares	ATV	7.60
10	Coronation Street (Wednesday)	Gran.	7.40
11	Happy Ever After	BBC	7.30
12	Life and Death of Penelope	Thms.	7.20
12	New Faces	Ang.	7.20
14	Yus My Dear	Lon.W.	7.05
15	And Mother Makes Five	Thms.	7.00
16	They Call Me Mr. Tibbs	BBC	6.85
17	Bless This House	Thms.	6.80
17	That's Life	BBC	6.80
19	Oh No, It's Selwyn Froggitt	York.	6.70
19	Bouquet of Barbed Wire	Lon.W.	6.70

Figures compiled by Audits of Great Britain for Joint Industry Committee for Television Advertising Research.

MODITIES/Review of the week

w peak in coffee market

COMMODITIES STAFF

VALUES on the rminal market finished r new peak yesterday, distinctly easier tone rly part of the week. position ended £38 the week, at £878.5 a

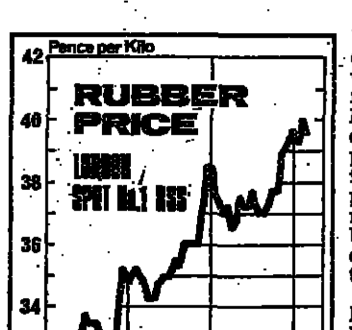
upsurge was sparked ednesday by news of quake in Guatemala. ntry produces only .. 60-kilo bags of coffee l the earthquake does : to have touched the eas.

rs that disruption of shipments could result technical situation in centres in the short o a sustained speculace.

any leading figures U.S. coffee scene away Raton, Florida, for a e convention, the New ket has been largely nercy of speculators. ers have attributed the of the reaction to the n news to this fact.

urge in cocoa values f steam on Tuesday, ted the May position 14-month peak of tonne on Monday. al decline was seen as to the earlier strong ther falls during the second half of the week left May cocoa at £733.5 a tonne, down £16.

Ecuador has announced, meanwhile, that it intends to sign the new International Cocoa Agreement which comes into effect on October 1. Brazil has not made up its mind.



London rubber prices also climbed to new peaks this week, the No. 1 RSS spot price reaching 40p a kilo for the first time in nearly two years, before ending 0.25p up on the week, at 39.5p.

The advance was encouraged by a report from Malaysia that the "wintering" season, when production falls, has started early this year.

London Metal Exchange copper prices ended a quiet week with cash wirebars £4.75 up last night, at £590.5 a tonne. But Reuter reported from New York earlier that Mr. Alfred Powis, president of Noranda Mines, had forecast that the LME copper price should double within the next 30 months. This level would be necessary to meet the incredible escalation in construction and equipment costs.

Copper prices could be stabilised realistically only by a buffer stock, backed by $3bn. to $4bn., but this begged the question of who would finance and administer the stockpile, Mr. Powis said.

In Tokyo, Mr. Shinpei Omoto, president of the Japan Mining Association, said he hoped other countries would follow Japan's example and build copper stockpiles. Japan was planning a Y30,000 stockpile of copper, lead, zinc and aluminium this year.

Tin prices early in the week reached their highest level on the LME since early last September. But they lost some ground following a steep fall in the Malaysian market.

In London, standard cash tin closed £22.5 up on the week, however, at £3,155 a tonne. High grade cash tin was £45 up, at £3,180.

LY PRICE CHANGES

[illegible]

MARKET REPORTS

BASE METALS

COPPER—Moved narrowly in quiet trading on the London Metal Exchange. Modest narrowing of the contango was thought to reflect the further fall in interest rates, expectations of a modest increase in already record warehouse stocks [illegible]

[illegible]

SILVER

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

FREIGHTS

[illegible] and heavy grain from the Gulf to Antwerp/Hamburg range at $4 f.i.o. Feb. Vessels were also secured for heavy grain from U.S. Northern Range to Lisbon/Hamburg range at $4.40 f.i.o. and to Lisbon at $5 f.i.o., both in Feb. the lower level of $8 f.i.o. was paid for grain from U.S. Gulf to Japan with Feb. loading.

Scrap operators booked a vessel with 15,500 long tons from Norfolk to Bilbao at a lump sum of $120,000 f.i.o. in Feb., while salt was arranged from Bonaire to [illegible]

Coast. South African White Mar. £66.50 Glasgow.

Barley—EEC Feed Feb. £64.75, Mar. £65.50 East Coast. Rest unquoted.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, irregular. Close: Mar. 65.60, May 66.55, Sept. 65.45, Nov. 67.35, Jan. 69.20. Business: Mar. 64.60-64.50, May 66.50-66.45, Sept. 65.55-65.40, Nov. 67.45-67.35, Jan. 69.20-69.10. Barley, irregular. Close: Mar. 63.50, May 65.30, Sept. 64.70, Nov. 66.60, Jan. 68.35. Business: Mar. 63.50-63.35, May 65.35-65.25, Sept. [illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

MEAT/VEGETABLES

[illegible]

pound Santa Rosa 0.20-0.23, Red Ace 0.18-0.22, Gaviota 0.20-0.24. Peaches—South African: 15/21 1.30-1.80. Pears—Italian: Per pound Passacrassana 0.07-0.08, Beurre Bosc 0.10. Grapes—Californian: Per 22-lb Red Emperor 4.60-5.00; South African: Per 10-lb Alphonse 5.20, Queen of the Vineyard 2.90-3.00.

English produce: Lettuce—Per 12, round 1.50-1.70. Mushrooms—Per pound 0.35-0.40. Potatoes—Per 56-lb Whites 4.60-4.80, Edwards 4.70-5.00. Celery—Per 12, 1.00. Apples—Per pound Cox's Orange Pippin 0.09-0.12, Bramley's 0.08-0.11, Laxtons 0.07. [illegible]

WOOL FUTURES

[illegible]

JUTE

[illegible]

FINANCIAL TIMES

[illegible]

REUTER'S

[illegible]

DOW JONES

[illegible]

MOODY'S

[illegible]

U.S. Markets

Big gains in coffee, grains up

NEW YORK, Feb. 6.

[illegible]

This week's SE dealings

Friday, February 6 .... 7,131 | Wednesday, February 4 .... 7,617 | Monday, February 2 8,901
Thursday, February 5 .... 7,410 | Tuesday, February 3 .... 8,216 | Friday, January 30 8,455

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ● Bargains done previous day. ‡ Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in". $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malaysian; $Mex—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (718)

SHORT DATED BONDS FREE OF STAMP DUTY

PUBLIC BDS., ETC.—U.K. (13)

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (11)

COMMONWEALTH CORPN. STOCKS (—)

FOREIGN STKS., BDS., ETC. (3)

CORPN. STKS.—FOREIGN (—)

INT. BANK STOCK (—)

CORPN. & COUNTY—U.K. (41)

U.K. AND COMMONWEALTH RAILWAYS (4)

FOREIGN RAILWAYS (—)

BANKS & DISCOUNT COS. (354)

BREWERIES & DISTILLS. (171)

CANALS & DOCKS (16)

COMMERCIAL, INDUSTL. (3,928)

TOTAL 7,131

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

ART GALLERIES

CLUBS

ELEC. LIGHTING & POWER (1)

Brascan Class A £10 (3/2)
Calcutta Electric Supply 26 (5/2)
Nigerian Electricity Supply 157
Perak River Hydro-Electric Power 367 (4/2)

FINANCIAL TRUSTS, ETC. (147)

Abertorn Gen. Invests. (25p) 43½⊕ (5/2)
Akroyd and Smithers (25p) 234⊕
Anglo-African Finance (7½p) 14 (5/2)
Anglo-Continental Inv. and Fin. (Reg.) (25p) 54⊕ 6⊕. Six Month Rate Uns.Ln. 64⊕ (5/2). 9½pcPtly.Cnv.Uns.Ln. 61 (3/2)

BUILDING SOCIETY RATES

	Dep.	Share Accnts.	Subp'n Shares	Variable Term Shares
National	6.75%	7.00%	8.25%	●8.00%
	6.75%	7.00%	8.25%	‡‡7.75%
	6.75%	7.00%	8.25%	‖7.75%
…am Incorporated	6.75%	7.00%	8.25%	—
… and Bingley	6.75%	7.00%	§8.25%	—
…nd West	6.75%	7.00%	8.00%	—
…Economic	6.75%	7.00%	8.25%	†7.25%
	6.75%	7.00%	8.25%	¶¶7.75%
	6.75%	7.50%	8.50%	—
	6.75%	7.00%	9.00%	†7.25%
…am and Gloucester	6.75%	7.00%	—	‡7.75%
Regency	6.75%	7.25%	8.75%	—
London	7.00%	7.50%	8.25%	—
…l Metropolitan	6.75%	7.25%	7.50%	¶8.00%
… Economic	6.75%	7.00%	8.75%	§§7.75%
…re	6.75%	7.00%	8.25%	□7.50%
	6.75%	7.00%	8.25%	¶7.75%
…h	6.00%	7.10%	8.50%	—
	6.75%	7.25%	7.50%	✝7.65%
	6.75%	7.00%	8.25%	¶7.75%
… and Thanet	6.75%	7.00%	8.25%	—
…f Oak & Enfield	6.75%	7.25%	8.50%	—
	7.00%	7.30%	—	*8.05%
…field and Bradford	6.75%	7.00%	8.50%	♡7.75%
…ton Spa	6.87%	7.12%	9.50%	7.50%
…nd Holbeck	6.75%	7.00%	8.25%	—
…ermanent	6.75%	7.00%	8.25%	—
	6.75%	7.00%	8.25%	††7.75%
…l	6.75%	7.00%	8.30%	*7.50%
…& Planet	6.75%	7.00%	7.75%	♡7.75%
…ton Permanent	6.45%	7.65%	—	—
… Counties	7.00%	7.25%	8.25%	◇7.75%
…ide	6.75%	7.00%	7.50%	♣8.25%
…e Permanent	6.75%	**7.00%	7.75%	8.00%
…n Rock	6.75%	7.00%	8.00%	‡8.00%
…ondon	7.50%	8.00%	—	♣8.95%
	6.75%	7.00%	8.25%	—
	6.75%	7.00%	7.50%	¶¶7.50%
… Owners	6.75%	7.50%	8.50%	†7.85%
…al	6.75%	7.00%	8.25%	7.75%
	6.75%	7.00%	8.25%	‡‡7.75%
…Mutual	6.75%	♦7.30%	—	—
…nd Country	6.50%	7.00%	10.00%	¶¶7.75%
…h Equitable	6.75%	7.00%	8.25%	¶7.75%

…um £2,000 6 mths. notice. † 3 mths. ‡ 3 yrs. § 3 yrs. in… bonus. ¶ Min. £500 2 yrs. fixed. ‖ 4th issue 2 yrs. ● 2 yrs. …250. ** 7.50% over £5,000. †† 2-3 yrs. ‡‡ 2 yrs. §§ 7.50% … notice after 9 mths. ¶¶ 2 yrs. £1,000 min. ♡ Min. £100 2 …d. ◇ Min. £1,000 6 mths. notice. ♣ 4 yrs. over £5,000. … and over 7.55%. ✝ Min. £1,000 3 mths. notice. □ Min. £5,000 3 mths. notice.

RUBBER (30)

Aberfoyle Plantations (10p) 5½ (3/2)
Anglo-Indonesian Plantations (25p) 45½ (5/2)
Beradin Rubber Est. (5p) 20 ½ 19 (2/2)

FEBRUARY 4

Ampol Exploration 95
Australian Motor Inds. 108⊕
Beach Petroleum 18
Braniff Airlines 925
GEC Common $US56½⊕
Hewlett Packard £85½⊕
Imperial Oil £19⅛
Inland Natural Gas 5½pcCnv.A £72½⊕
Little Long Lac Mines 98⊕
Palabora 910
Power Cpn. of Canada 795⊕
Unilever NV (Fl.20) $US47⅞
Van Berkel £38¾

CHEMICALS (1)
Hoechst 10pc Ln.

CINEMAS (2)
Anglia TV 'A' — HTV

STORES (2)
Ladies Pride — MFI Warehouses

ELECTRICALS (4)
EMI — Newman Inds.
Rotaflex (G.B.) — Ward and Goldstone

ENGINEERING (7)
Acrow (Engineers) — Osborn (S.)
Edbro. — Sheepbridge
Elliott (B.) — Staveley Industries
Hawker Siddeley

FOODS (1)
Fox's Biscuits

HOTELS (1)
Lyons (J.) 7¼pc 1981

INDUSTRIALS (14)
BTR — Hill (Charles)
Bath and Portland — Horizon Midlands
Bentima — Leadenhall Sterling
Diploma Invests. — Lebus (Harris)
Dover Con. — Scapa Grp.
Harris (Ph.) — Tilling (Thomas)
Hawkins and Tipson — 'W' Ribbons

MOTORS (4)
Alexanders — Kenning
Dowty — Lucas Inds.

NEWSPAPERS (2)
Pearson Longman — Thomson Org.

PROPERTY (1)
Bradford Prop.

TEXTILES (2)
Hollas Grp. — Wood Bastow

TOBACCOS (1)
"Bats"

TRUSTS (2)
Home Hldgs. 'A' — Kakuzi

MINES (1)
Idris

NEW LOWS (4)

STORES (1)
Michael (J.)

MINES (3)
Pengkalen — Tongkah
Tanjong

(By permission of the Stock Exchange Council)

NEW HIGHS AND LOWS FOR 1975/76

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975-76.

NEW HIGHS (61)

BRITISH FUNDS (1)
Treas. 6½pc 1976

CORPORATION LOANS (1)
Middx. 5½pc 1980

LOANS (MISCEL.) (1)
USMC without Wrts.

AMERICANS (3)
Amax — Bendix Con.
Assoc. Spring

BANKS (2)
Arbuthnot Latham — Wagon Finance

BUILDINGS (8)
Beaver Grp. — Milbury
Carr (John) — Mixconcrete
Clark and Fenn — Mears Bros.
Hall (W. W.) — Meyer (Montague L.)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	5	48	5
Corpns. Dom. and Foreign Bonds	4	7	53
Industrials	164	498	1,051
Financial and Prop.	40	235	313
Oils	2	12	20
Plantation	3	9	35
Mines	56	37	58
Recent Issues	2	13	18
Totals	276	859	1,553

ACTIVE STOCKS

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1975/6 high	1975/6 low
ICI	£1	85	380	− 3	387	118
Burmah Oil	£1	72	47	− 3	100	27
Barclays Bank	£1	68	330	−20	350	112
"Bats"	25p	63	377	+17	377	164
BP	£1	52	588	− 2	615	190
Shell Transport	25p	52	384	− 8	404	118
Midland Bank	£1	49	298	−22	320	122
Nat. Westminster	£1	49	262	−28	290	88
Marks & Spencer	25p	47	106	− 1	128	47½
Brown (J.)	£1	46	78	+ 8	120	42
Courtaulds	25p	46	162	− 7	169	53
Ocean Trans. 'New'	Nil/pd.	46	29½*	− 1½	35*	29½*
Unilever	25p	46	454	—	462	170
GKN	£1	45	307	− 3	312	95
Hawker Siddeley	25p	45	414	+ 4	414	135

* Premium.

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
ICI	£1	14	380	− 3	387	118
Burmah Oil	£1	13	47	− 1	100	27
"Bats"	25p	11	377	+ 2	377	164
Lloyds Bank	£1	11	260	+ 5	280	94
Barclays Bank	£1	10	320	− 5	350	112
Brit. Leyland	50p	10	29	—	57	20
BP	£1	10	588	+ 5	615	190
Dunlop	50p	10	78	− 1	80	17
Midland Bank	£1	10	298	− 7	320	122
RTZ	25p	10	197	—	211	80
Turner & Newall	£1	10	168	—	171	71
Bowater	£1	9	183	− 3	194	50
Brown (J.)	£1	9	78	+ 1	120	42
Courtaulds	25p	9	162	− 1	169	53
Lex Service	25p	9	32	− 1	33	6½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 3	Feb. 16	Apr. 29	May 11
Feb. 17	Mar. 1	May 13	May 25
Mar. 2	Mar. 15	May 27	Jun. 9

"Calls" were dealt in Fitch Lovell, Intereuropean Properties, Thomson Organisation, Dunlop, London and Northern, F. W. Woolworth, Ladbroke Warrants, British Land, Grand Metropolitan, Manganese Bronze, Hestair, Burmah Oil, Allied Breweries, Reckitt and Colman, Guest Keen, Town and City, Geo. Wimpey, Town and Commercial, Amalgamated Investment, National Westminster Bank Warrants, Alpine, Capital and Counties, Trafalgar House and Group Lotus. A "put" was done in Dunlop, while "doubles" were arranged in Cons. Gold Fields, Hestair, Town and City and Burmah Oil.

Industrials							
		Guardian	20	Spillers	5	Shell	25
		G.K.N.	22	Tesco	5	Ultramar	20
A. P. Cement	15	Hawker Sidd	35	Thorn "A"	20		
Assoc. Leisure	5	House of Fraser	8	Tube Invest.	27	Mines	
Barclays Bank	22	I.C.I.	21	Unilever	40	Anglo Amer.	30
Beecham	28	"Imps"	7	Utd. Drapery	10	Charter Cons.	16
Boots Drug	12	I.C.L.	14	Vickers	13	Chart'rh'll Pin.	6
Bowaters	16	Inveresk	7	Williams Hud'n	4	Cons. Gold	16
B.A.T.	30	Legal & General	13	Woolworths	6	De Beers Def.	35
British Leyland	7	Ladbroke	11			F. S. Geduld	360
BOC Int.	5½	Lloyds Bank	22	Property.		Great Boulder	12
Burton 'A'	7	"Lds."	5½	Amal. Inv.	3½	Hampton Areas	12
Cadburys	6	"Mams"	6	Brit. Land	4½	Hampton Prop.	4
Courtaulds	11	Marks& Sp'ncer	10	Cap Counties	3½	Kloof	100
Debenhams	8	Midland Bank	22	E.P.	8	Lonrho	12
Distillers	13	Nat'l West Bank	20	Land Securities	18	Loraine	55
Dunlop	7½	"Do" Warrants	10	MEPC	5½	Poseidon	55
Eagle Star	13	P & O Dfd.	11	Peachey	3½	Pres. Steyn	200
E.M.I.	17	Plessey	8	Town & City	3½	Rio T. Zinc	17
Gen. Accident	16	R.H.M.	6	Town & Comm.	4	Welkom	55
Gen. Electric	13	Rank Org. 'A'	18			West Areas	40
Glaxo	35	Reed Int'l	23	Oils.		Western M'ng.	18
Grand Met	7	Rothmans	4	Brit. Petroleum	40		
G.U.S. 'A'	17	Slater Walker	4½	Burmah Oil	7		

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barking (01-592 4500)	11	½-year	1,000	2-5
Greenwich (01-854 8888)	12½	½-year	1,000	4-7
Liverpool (051 227 3911)	11	½-year	500	3-4
Liverpool (051 227 3911)	12	½-year	500	5-7
Merthyr Tydfil (0685 3201)	12	½-year	500	3-5
Merthyr Tydfil (0685 3201)	12½	½-year	5,000	3-5
Redbridge (01-478 3020)	12	½-year	1,000	4-7
Thurrock (0375 5122)	10	½-year	300	1
Thurrock (0375 5122)	11	½-year	300	2
Wandsworth (01-874 6464)	12½	½-year	5,000	5-7
Wandsworth (01-874 6464)	12½	½-year	1,000	5-7
West Yorkshire (0924 67111)	11	½-year	1,000	3-4
West Yorkshire (0924 67111)	11½	½-year	1,000	5-6

U.K. CONVERTIBLE STOCKS 6/2/76

Statistics provided by *data STREAM International*

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Alcan Aluminium 9pc Cv. 89-94	12.00	75.00	100.0	76-80	12.1	12.7						
Associated Paper 9½pc Cv. 85-90	1.40	80.00	200.0	76-85	12.0	12.6	− 3.6	−8 to 13	52.5	47.4	− 6.2	− 2.6
Bank of Ireland 10pc Cv. 91-96	10.25	147.00	35.7	77-90	7.0	5.7	17.6	9 to 20	45.4	63.0	14.1	− 3.5
BPB 7¾pc Cv. 89-94	4.89	110.00	62.0	72-80	7.2	6.9	11.6	−1 to 12	21.2	26.3	5.1	− 6.4
English Property 6¾pc Cv. 98-03	19.16	157.00	234.0	76-80	4.2	3.1	− 7.5	−27 to −4	29.6	20.0	− 5.7	+ 1.8
English Property 12pc Cv. 00-05	15.40	125.00	150.0	76-84	9.9	9.7	14.9	−6 to 50	30.6	57.9	25.1	+10.2
Grand Metropolitan 10pc Cv. 91-96	125.50	108.00	120.2	73-78	9.6	9.4	5.1	−1 to 11	14.8	17.7	2.8	− 2.3
Hanson Trust 6½pc Cv. 88-93	4.51	88.00	57.1	76-86	7.6	8.0	13.7	8 to 19	30.2	35.6	7.0	− 6.7
Hewden-Stuart 7pc Cv. 1995	0.72	150.00	280.0	75-95	4.7	3.5	11.6	4 to 15	55.5	45.1	− 7.8	−19.4
Lyons, J. 7½pc Cv. 1981	3.60	84.00	22.7	75-81	8.9	11.9	146.4	101 to 157	11.5	28.3	49.2	−97.2
Slough Estates 10pc Cv. 87-90	5.50	141.00	125.0	78-87	7.1	5.3	27.5	19 to 38	26.2	55.0	26.0	− 1.4
Tozer, Kemsley 8pc Cv. 1981	7.33	92.00	153.8	74-79	8.9	10.4	15.0	13 to 38	15.2	22.2	8.8	− 6.2
Wilkinson Match 10pc Cv. 83-98	11.10	81.00	40.0	76-83	12.5	12.7	33.2	31 to 59	24.4	45.5	34.7	+ 1.5

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 5 per cent. per annum and is present valued at 15 per cent. per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 15 per cent. per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

STOCK EXCHANGE REPORT

Gilts and equities react despite cheaper money rates

Share index down 2.3 at 407.7—New long "tap" stock

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 26	Feb. 5	Feb. 6	Feb. 17
Feb. 9	Feb. 19	Feb. 20	Mar. 2
Feb. 23	Mar. 4	Mar. 5	Mar. 16

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The reduction in base lending rates by ½ per cent. to 9½ per cent. followed by a similar cut in Minimum Lending Rate failed to have a lasting impact on either British Funds or equities yesterday. The 3.30 p.m. announcement of a new "long tap" stock (£600m. of Treasury 12¾ per cent. "A" at 95½) brought a halt to a recovery in the later maturities. Prices, which had almost erased earlier losses extending to ⅝ in this area by House close, were lowered in the after-hours' dealings and final quotations showed falls extending to ½ on balance. A similar trend was seen in the shorts, where falls ranged to ⅛. Apart from the advent of the new "tap" stock, sentiment was not helped by the Bank of England's indication that it intends to check the accelerating fall in money rates. The Government Securities index reacted 0.32 further to 63.84, making a loss of 1.37 from the 1975-76 peak of 65.21 of a week ago.

News of the £74m. Lloyds Bank "rights" issue hastened a mark down of several pence in leading industrials at the opening. However, prices rallied in line with the Funds and final quotations were above the day's worst. Down 4.7 at 11 a.m., the FT 30-share index closed 2.3 lower on balance at 407.7, making a loss 9.7 on the week, but leaving a rise of 7.9 on the Account.

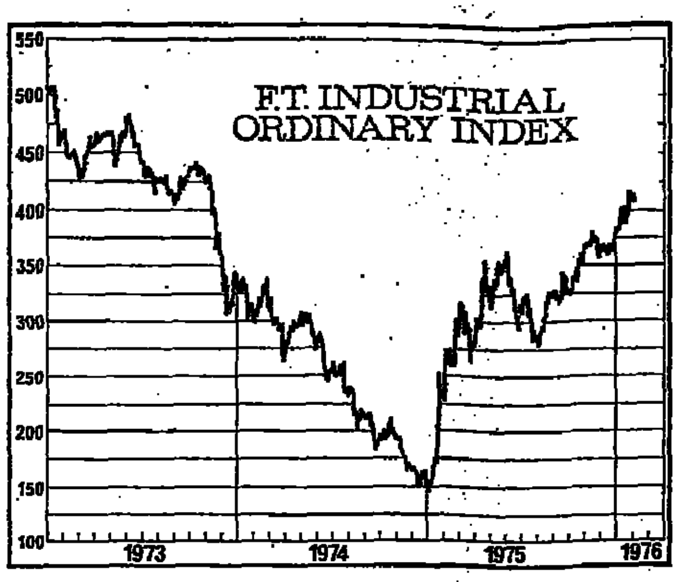
Overall, the trend was to lower levels, this being reflected in the 4-1 majority of falls over rises in FT-quoted Industrials. The FT-Actuaries All-Share index lost 0.7 per cent. to 170.10, for a fall of 1.47 per cent on the week. Official markings of 7,131 compared with 7,410 on Thursday and 8,455 a week ago.

Slightly lower rates obtained in the investment currency market. The bulk of the day's business was on arbitrage and institutional account and the premium closed ¾ down at 113¾ per cent. Foreign Railways featured a good rise in Antofagasta Preference which, following the appearance of a few buyers, some late, jumped 3 points to £36. Yesterday's SE conversion factor was 0.5999 (0.5960).

Lloyds £74m. "rights"

The shock announcement of a £74m. "rights" issue from Lloyds Bank and publication of the preliminary results two weeks ahead of the scheduled date started an eventful and busy day on the banking pitch. Interest was further enlivened by a fresh round of base rate reductions to 9½ per cent. in the big clearers and a similar cut in Minimum Lending Rate. However, the big four failed to shake off recent dullness. Lloyds immediately dropped to 255p on the "rights" news before rallying to close 5 easier on balance at 260p, making a decline on the week of 20. Midland came to rest 7 lower at 298p, while Barclays shed 5 to 330p, and National Westminster shaded 3 to 262p. Profit-taking in the Far-east ahead of Tuesday's results brought about a fresh relapse in Hongkong and Shanghai which fell 15 more to 348p. Discounts were higher in places, with improvements of 5 in Gerrard and National, 305p, and Gillett Bros., 225p. Press comment encouraged improvements in Merchant banks of 1 and 2 respectively in Keyser Ullmann, 51p, and Arbuthnot Latham, 195p. Hire Purchases continued to be featured by Wagon Finance, which responded afresh to Tuesday's excellent results by rising 5 more to a 1975-76 high of 62p, making a gain on the week of 19. Despite the huge loss, First National Finance were unmoved at 2p.

Insurances closed without much alteration. Vague rumours that General Accident, the only major Composite yet to announce a "rights" issue, would do so in the very near future left the shares unmoved at 181p.



After Thursday's fall of 5 in R. Costain which preceded news that Lonrho had sold its substantial shareholding to Arab interests, the former reacted afresh to 212p before rallying to close 2 cheaper on balance at 216p. Lonrho closed 1 off at 124p. Geo. Dew held at 106p after the results.

ICI typified market conditions, closing 3 cheaper at 380p.

Television Contractors continued firmly, Anglia "A" and Grampian "A" both closing. 2 harder at 116p and 22p respectively.

Stores closed on a dull note following a fair turnover. British Home Stores gave up 3 at 367p, while Marks and Spencer, 106p, and Debenhams, 98p, shed a penny apiece. After having been marked down to a basis of 1¼-4p in an effort to establish a trading level, John Michael closed 5 cheaper on balance at 6p on the chairman's statement about the company's well-being. Steinberg receded 2 to 14p on the poor interim figures, while, on the bid front, Weston Pharmaceuticals eased 2 to 74½p in sympathy with a fall of a penny in Dixon's Photographic at 77p. W. H. Smith "A" were notable for a loss of 6 at 348p. MFI Warehouses continued firmly in Mail Orders, rising 2 to 41p for a two-day gain of 4.

Electrical leaders moved narrowly in another small business. EMI, a firm market of late on the Capitol Industries-EMI second-quarterly, managed to close 2 harder at 257p, but GEC shed 2 to 157p and Plessey a penny to 77p. Philips' Lamp relinquished ¼ to £10⅜, while Thorn Electrical finished 2 easier at 256p, after 252p. After Thursday's losses of 13 on the profits warning in the interim statement, Decca closed 3 cheaper at 260p, after 258p, but the "A" were finally 3 better at 256p, after 250p; Rotaflex (Great Britain) found fresh support and improved another 3 to a 1975-76 peak of 33p, but Cray Electronics shed 2½ to 29p.

Hawker moved against the trend in Engineerings, gaining 4 to 414p, but Vickers shed that much to 161p and GKN were 3 off at 307p. John Brown began uncertainly before rallying to close marginally better at 78p, after 73p. Elsewhere, Mining Supplies slipped 4 to 71p on profit-taking, and falls of about 3 were marked against Glynwed, 109p, J. Saville Gordon, 37p, and Haden Carrier, 112p. Manganese Bronze met with a flurry of selling and retreated to 13¾p prior to ending a net ½ lower at 14½p. Press comment took Acrow up 4 to 130p, while other improvements included Wagon Industrials, 3½ up at 101p, and T. W. Ward, which rose 2½ to 64p. Triplex Foundries, at 67p, shed 2 of Thursday's 10 rise which followed the "rights" issue and dividend forecast.

Foods inclined easier: Tate and Lyle were 4 cheaper at 280p and Associated Dairies 5 easier at 213p. J. B. Eastwood shed 2 at 62p despite the forthcoming egg price increases. Biscuit manufacturers had contrasting movements in Fox's, up 4 at 74p, and United, 2 cheaper at 118p. Kinloch (Provision Merchants) unaltered at 138p, made no apparent response to the preliminary figures. In Supermarkets, Kwik Save Discount declined 6 to 126p.

Horizon Midlands up

There was again little interest shown in the miscellaneous Industrial leaders, where Beecham lost 4 more to 349p and Bowater 3 to 183p, but Reed International ended 3 harder at 282p, after 284p, while Glaxo, 383p, after 378p, and Unilever, 454p, after 450p, finished without alteration. Elsewhere, Horizon Midlands were notable for a rise of 4½ to a peak for 1975-76 of 36p ahead of the annual figures, due three weeks from now. The profits recovery left Harris Lebus 3 firmer at 53p, while Press comment helped Johnson Group Cleaners to improve 2 to 42p. Frost and Reed were raised 10 to 146p in response to the bid, currently worth 151½p, from HTV, a penny harder at 59p. Totalisators and Greyhound put on a penny to 15p on consideration of the 15p cash per share offer from Ladbroke, a fraction down at 112p, after 110p. In contrast, Crest Nicholson, in which a speculative bull position existed, recorded a reaction of 5½ at 38p, after 36p, following some disappointment with the preliminary statement. Longton Transport shed 2 to 30p on the half-year profits contraction. Hong Kong issues suffered a fresh reaction, but closed above the day's worst on subsequent London demand. Jardine Matheson ended 16 cheaper at 434p, after 426p.

Dowty, still reflecting the recent good interim statement, proved the feature of Motors and Distributors, closing 6 higher at 168p, after 169p. Lucas were finally a penny harder at 217p, after 213p.

Still reflecting the full financing of its shares of the North Sea Claymore Field costs, Thomson rose 5 further to a 1975/76 peak of 248p. Newspapers were otherwise irregular, with Pearson Longman gaining 5 to 115p but News International reacting 3 to 166p.

BP resist

British Petroleum resisted surrounding dullness in Oils to close 5 dearer at 588p. Shell reacted to 382p before ending a net 4 easier at 384p, while Continental and investment currency influences brought Royal Dutch back ½ to £37¼. Burmah experienced considerable interest again but finally eased the turn to 47p. Canadian issues also turned reactionary, Ranger losing ⅝ to £12⅞, Pan Ocean ½ to £10⅛ and Sunningdale 25 to 675p.

After initial dullness, Property leaders partially recovered during a good business with the help of further cuts in interest rates. Town and City Properties closed a penny better at 23p, stimulated by Press suggestions of a possible bid later in the year from MEPC, which finished 3 down at 88p. English Property was finally 2 easier at 71p, after 69p, and Land Securities a penny off at 189p. Following the recent rise on Press comment, British Land reacted to 38½p before ending just a fraction softer at 40½p. Quietly dull conditions prevailed elsewhere. Still suffering from the poor interim results, Regional Properties receded 4 more to 46p, while the "A" closed 2 cheaper at 43p, for a two-day loss of 6½. Hammerson "A" reacted 8 to 380p, Haslemere Estates 5 to 211p, and Berkeley Hambro 4 to 146p, while United Kingdom Property declined 2½ to 13½p. Hong Kong Land retreated to 135p before rallying to 140p for a net loss of 5.

Against the dull trend in Overseas Traders, Harrisons and Crosfield improved 25 to 950p.

In Shippings, Felixstowe Dock, at 143p, gave up a penny on the previous day's gain of 12 which followed news of the counter bid from European Ferries (3 easier at 73½p).

A dull market of late on the chairman's resignation, Lampa Securities staged a useful rally and picked up 6 to 122p in Trusts and Financials. Northborough hardened 2½ to 11p, but Far-eastern advices brought about declines of 5 and 8 respectively in International Pacific Securities, 122p, and Jardine Securities, 145p.

Textiles ended the Account on an easier note. Light profit-taking caused Reliance Knitwear, 20p, to lose the previous day's gain of 4, while Stoddard "A," a firm market of late on the results, cheapened 2 to 46p. Courtaulds drifted down a penny to 162p.

A good business in Bats saw the shares ease to 368p on profit-taking before rallying in the late trade to close a net 2 better at a 1975-76 high of 377p. Imps performed similarly, easing to 83p before closing unchanged on the day at 84½p; the results are due Tuesday.

Uraniums turn dull

Australian uranium issues, which have held the limelight in mining markets of late, ended the week in subdued form reflecting the trend in overnight home markets, possible environmental problems and an industry spokesman's warning that by the 1980s there could be a world sufficiency in uranium without Australia's output.

Pancontinental opened at £15 before rallying to close at £16, a loss on the day of ½ and a week's fall of £1½. Peko-Wallsend eased 5 to 530p, but were still 80 higher over the longer period. EZ Industries, Peko-Wallsend's partner in the Ranger uranium project, fell 10 to 360p. Western Mining gave up 3 to 150p: the company owns the Yeelirrie uranium deposit.

In other Australians, Robe River advanced 15 to 100p on reports that the Lang Hancock family has agreed in principle to purchase the Bond Corporation's holding in the Robe River Company which has a 35 per cent. holding in the big iron ore venture of that name.

South African Gold shares improved in line with the bullion price which was finally [illegible] per ounce, a rise of $2[illegible] day and $2.25 on the we[illegible] Gold Mines index rose [illegible] to 223.7, a week's gain of [illegible]

Platinums were genera[illegible] owing to a Cape demand[illegible]

In Coppers, Palabora [illegible] 30 to 830p on consider[illegible] the sharply reduced 197[illegible]

FINANCIAL TIMES STOCK INDICES

	Feb. 6	Feb. 5	Feb. 4	Feb. 3	Feb. 2	[illegible]
Government Secs.	63.84	64.16	64.46	64.86	65.16	[illegible]
Fixed Interest	64.03	64.10	64.09	64.11	64.4[illegible]	[illegible]
Industrial Ordinary	407.7	410.0	414.4	409.5	412.[illegible]	[illegible]
Gold Mines	223.7	219.7	223.1	232.1	224.[illegible]	[illegible]
Ord. Div. Yield %	5.11	5.08	5.04	5.08	5.07	[illegible]
Earnings Yld % (full)	14.94	14.76	14.62	14.76	14.71	[illegible]
P/E Ratio (net)	9.23	9.36	9.45	9.37	10.01	[illegible]
Dealings marked	7,131	7,410	7,617	8,218	6,901	[illegible]
Equity turnover £m.	—	79.59	56.89	60.65	75.49	[illegible]
Equity bargains total	—	16,749	16,649	18,298	21,214	[illegible]

10 a.m. 406.1. 11 a.m. 403.3. Noon 406.8. 1 p.m. [illegible] 2 p.m. 407.5. 3 p.m. [illegible]

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. [illegible] Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	49.18 (3/1/75)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	50.53 (3/1/75)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	417.4 (30/1/76)	146.0 (6/1/75)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5/75)	197.1 (20/1/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 6
Daily —	
Gilt-Edged	154.6
Industrials	245.6
Speculative	61.7
Totals	162.1
5-day Average	
Gilt-Edged	196.2
Industrials	260.7
Speculative	70.4
Totals	178.8

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Equity groups	Friday, Feb. 6, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil)	Thurs. Feb. 5 Index No.	Wed. Feb. 4 Index No.	Tues. Feb. 3 Index No.	Monday Feb. 2 Index No.	Year ago (approx.)	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	153.11	−0.7	15.15	5.53	10.01	10.00	154.25	154.01	153.55	154.80	88.35	155.06	51.76	206.57	50.71 (13/12/74)
2	Building Materials (29)	145.91	−0.7	11.66	5.85	13.35	13.35	146.88	147.55	146.54	147.68	82.06	150.18	45.11	233.84	44.27 (11/12/74)
3	Contracting, Construction (23)	240.45	−1.7	14.58	4.07	10.69	10.59	244.63	248.34	245.35	251.69	143.72	253.54	74.74	399.33	71.48 (12/12/74)
4	Electricals (16)	270.34	−1.2	16.14	4.41	9.08	9.08	273.49	271.54	270.55	273.62	167.45	273.62	98.49	350.04	84.71 (25/6/66)
5	Engineering (Heavy) (13)	175.33	−1.0	18.65	6.73	8.72	8.72	177.10	178.09	177.93	179.78	104.86	181.24	59.08	302.57	64.39 (2/1/75)
6	Engineering (General) (63)	138.06	−0.4	16.17	6.15	9.27	9.26	138.55	139.13	137.71	137.93	75.14	139.56	45.43	168.39	46.43 (6/1/75)
7	Machine and Other Tools (9)	55.39	−0.4	15.24	6.76	11.82	11.82	55.59	55.53	54.82	54.57	30.39	55.59 (5/2/76)	20.11 (2/1/76)	136.70 (4/7/68)	19.96 (13/12/74)
8	Miscellaneous (25)	131.89	−0.2	15.75	6.35	9.65	9.65	132.14	132.13	132.46	133.43	78.35	133.69 (30/1/76)	49.65 (6/1/75)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	133.28	−0.7	14.01	4.66	10.77	10.76	134.15	134.33	133.06	132.92	63.77	134.33 (4/2/76)	38.39 (6/1/75)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	151.06	−0.9	12.88	3.55	11.82	11.80	152.46	152.60	151.40	151.18	78.77	152.60 (4/2/76)	44.28 (6/1/75)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (14)	181.22	−0.7	13.34	5.93	11.04	11.01	182.43	182.85	180.38	180.47	100.11	182.85 (4/2/72)	64.53 (6/1/75)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	78.28	−0.2	16.12	5.95	9.55	9.55	78.45	78.58	77.76	77.57	30.51	78.58 (4/2/76)	19.91 (6/1/75)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	160.83	−0.9	12.87	5.48	11.49	11.38	162.24	162.24	161.30	161.81	107.84	162.24 (5/2/76)	61.98 (6/1/75)	226.08 (15/2/72)	61.41 (13/12/74)
14	Breweries (15)	175.21	−0.7	12.88	6.16	11.65	11.65	176.46	177.54	177.21	179.43	128.15	179.43 (2/2/76)	75.58 (6/1/75)	281.87 (28/11/73)	69.47 (13/12/74)
15	Wines and Spirits (7)	183.10	—	10.11	5.51	15.01	15.01	183.10	184.15	183.05	185.67	129.36	185.67 (2/2/76)	80.42 (6/1/75)	257.40 (15/7/72)	78.81 (15/12/74)
16	Entertainment, Catering (16)	206.68	−0.9	10.88	5.91	14.70	14.03	208.60	208.35	206.22	206.81	103.39	208.60 (5/2/76)	55.28 (6/1/75)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	172.18	−1.1	12.66	4.81	11.13	11.06	174.03	174.03	173.03	173.80	110.70	174.03 (4/2/76)	62.03 (2/1/75)	211.65 (1/5/72)	59.78 (11/12/74)
18	Food Retailing (16)	144.11	−1.3	11.21	4.80	12.93	12.95	145.94	145.57	147.27	148.46	104.60	155.88 (10/11)	57.15 (2/1/75)	235.08 (16/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	181.99	—	12.40	5.55	12.10	12.10	181.91	179.92	177.31	175.95	91.57	181.99 (6/2/76)	55.08 (6/1/75)	250.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	110.02	−1.2	20.10	6.94	7.41	7.41	111.38	111.44	110.74	110.97	73.59	111.44 (4/2/76)	43.46 (6/1/75)	135.69 (28/4/72)	43.46 (6/1/75)
21	Stores (33)	135.32	−0.5	11.08	5.00	13.66	13.84	136.02	135.97	135.69	136.24	96.70	136.24 (2/2/76)	52.63 (6/1/75)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (22)	180.09	−0.4	13.22	6.00	9.74	9.14	180.90	182.02	180.12	181.30	102.79	183.19 (30/1/76)	62.91 (6/1/75)	255.72 (17/8/68)	62.66 (11/12/74)
23	Tobaccos (3)	231.85	−1.8	17.40	5.92	8.76	8.76	236.22	234.90	230.78	227.75	165.85	236.22 (5/2/76)	109.92 (6/1/75)	339.16 (2/8/72)	94.54 (13/8/62)
24	Toys and Games (6)	62.87	−0.8	21.69	6.32	6.42	6.42	63.38	62.30	61.91	61.91	34.43	63.76 (20/11)	20.92 (6/1/75)	136.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (94)															
25	Chemicals (24)	218.11	−0.6	12.84	4.42	10.92	10.91	219.52	219.92	218.11	218.71	125.76	219.92 (4/2/76)	73.14 (6/1/75)	219.92 (4/2/76)	71.20 (11/12/74)
26	Office Equipment (10)	92.18	+0.9	14.03	5.66	10.49	10.49	91.37	91.76	92.49	94.16	86.63	104.78 (17/4)	45.34 (2/1/75)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	415.06	−0.8	17.41	5.97	7.35	7.06	418.38	419.61	417.97	428.55	308.48	432.64 (30/1/76)	194.58 (6/1/75)	617.00 (6/12/72)	90.80 (23/6/62)
28	Miscellaneous (48)	169.69	−0.6	13.93	6.23	10.58	10.57	170.72	171.07	170.24	171.23	104.75	172.73 (30/1/76)	60.59 (6/1/75)	258.83 (2/6/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	162.64	−0.7	13.66	5.35	10.78	10.71	163.86	163.90	163.05	163.84	101.96	164.06 (30/1/76)	59.19 (6/1/75)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	335.30	−0.1	15.01	4.80	7.44	6.66	335.53	337.80	335.14	337.57	190.82	351.71 (9/1/76)	105.85 (2/1/75)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	177.20	−0.6	13.85	5.27	10.12	9.85	178.35	178.57	177.55	178.49	109.55	178.83 (30/1/76)	63.49 (6/1/75)	227.95 (18/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	148.56	−0.7	—	4.76	—	—	149.58	150.97	151.26	151.76	101.66	153.46 (30/1/76)	56.50 (6/1/75)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	178.83	−1.7	16.29	4.50	9.38	9.38	181.85	186.33	188.78	188.86	112.11	192.16 (29/1/76)	62.56 (2/1/75)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	183.30	−1.4	—	6.71	—	—	180.76	180.82	181.11	182.92	128.96	186.52 (13/1/76)	84.13 (6/1/75)	293.15 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	127.46	−3.2	—	4.95	—	—	130.36	128.88	126.46	126.23	86.54	134.39 (10/3)	42.81 (6/1/75)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	125.66	−0.2	—	5.44	—	—	125.42	127.95	128.12	127.93	87.17	129.46 (30/1/76)	44.88 (2/1/75)	194.46 (16/3/72)	44.88 (2/1/75)
37	Insu[illegible]mposite) (7)	117.99	—	—	5.81	—	—	117.94	118.34	117.95	118.58	78.27	123.90 (20/6)	44.47 (2/1/75)	155.76 (21/4/72)	43.96 (13/12/74)
38	Ir[illegible]kers (9)	228.95	−0.6	8.90	4.08	16.96	16.96	230.37	229.03	228.72	230.29	135.14	232.39 (18/11)	68.96 (7/1/75)	268.57 (12/12/72)	65.86 (16/12/74)
39	[illegible]ks (17)	91.68	−0.9	—	6.01	—	—	92.47	92.54	92.71	93.35	63.29	94.97 (7/5)	31.21 (7/1/75)	278.57 (1/6/72)	31.21 (7/1/75)
40	[illegible]	191.05	−0.7	2.40	2.53	79.70	74.00	192.42	191.72	190.72	192.81	150.48	241.22 (23/4)	88.19 (7/1/75)	357.40 (9/11/73)	56.01 (20/4/65)
4[illegible]	[illegible]ous (5)	90.84	−0.5	14.14	5.98	11.09	11.09	91.26	91.70	91.98	89.98	57.45	91.98 (3/2/76)	34.78 (10/1/75)	303.15 (18/5/73)	33.29 (17/12/74)
	[illegible]ment Trusts (50)	178.66	−1.2	2.81	4.01	35.60	35.58	180.74	182.14	182.60	184.24	128.44	184.55 (30/1/76)	73.43 (6/1/75)	245.79 (25/4/72)	71.63 (13/12/74)
	[illegible]SHARE INDEX (650)	170.10	−0.7	—	5.11	—	—	171.26	171.79	171.14	172.02	108.22	172.64 (30/1/76)	62.16 (6/1/75)	228.18 (1/5/72)	61.92 (13/12/74)
	[illegible]OMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	444.65	−0.8	14.41	7.56	10.65	10.62	448.12	447.40	447.96	446.39	362.19	525.43 (25/5)	261.66 (2/1/75)	665.57 (23/7/73)	84.68 (26/8/66)
45	Teas (9)	124.26	−0.3	38.05	8.34	3.86	3.80	124.59	124.41	124.25	123.64	80.57	124.59 (5/2/76)	76.76 (10/1/75)	124.59 (5/2/76)	69.72 (17/10/74)
46	Coppers (3)	270.43	−1.2	36.54	6.35	2.74	2.74	267.28	267.28	267.28	265.37	414.26	467.74 (27/5)	251.97 (12/12/75)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	110.10	−0.2	10.75	4.57	10.53	10.53	110.26	111.50	112.70	111.67	98.18	141.34 (30/5)	80.58 (22/1/76)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	88.49	−0.2	14.46	10.44	9.87	9.26	86.32	86.67	88.07	88.42	72.50	114.49 (3/6)	58.91 (8/1/75)	125.43 (12/1/73)	54.85 (27/6/71)
49	Overseas Traders (13)	234.41	−0.6	14.30	4.43	8.94	8.94	235.74	234.95	235.26	234.96	152.11	252.33	87.37	275.96	[illegible]

FIXED INTEREST

		Friday, Feb. 6 Index No.	Yield %	Thurs. Feb. 5	Wed. Feb. 4	Tuesday Feb. 3	Mon. Feb. 2	Friday Jan. 30	Thurs. Jan. 29	Wed. Jan. 28	Year ago (approx.)	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	13.41	13.51	13.22	13.23	13.04	13.02	13.19	13.45	15.14				
2	20-yr. Govt. Stocks (6)	61.93	12.56	62.22	62.54	62.61	63.39	63.45	62.56	61.72	45.92	63.45	38.27	115.42	38.27
3	20-yr. Red. Deb. & Loans (15)	51.24	11.41	51.46	51.46	51.35	51.26	50.75	50.45	50.32	[illegible]	51.46	37.01	[illegible]	37.01
4	Investment Trust Prefs. (15)	50.22	13.78	50.24	50.29	50.29	50.29	50.21	50.21	49.99	41.89	50.33	[illegible]	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	70.58	13.44	70.61	70.99	71.03	71.97	71.86	70.95	69.94	57.97	71.97	[illegible]	[illegible]	[illegible]

Section or Group / Base Date / Base Value: Overseas Traders 31/12/74; Engineering (Heavy) 31/12/71; Engineering (General) 31/12/71; Wines and Spirits 10/4/62; Toys and Games 16/1/70; Office Equipment 16/1/70; Industrial Group 31/12/70; Miscellaneous Financial 29/12/67; Food Manufacturing 29/12/67; Food Retailing 29/12/67; Insurance Brokers 29/12/67; Mining Finance 29/12/67; All Other 10/4/62. † Redemption yield. [illegible] FT-Actuaries indices are [illegible] calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an ICL 370 computer. A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p. By inland post 18p. [illegible]

MONEY + EXCHANGES

Minimum Lending Rate 9½%

Bank of England Minimum Lending Rate 9½ per cent. (since February 6, 1976)

The Treasury bill rate fell by 0.5296 per cent. at yesterday's tender to 8.7691 per cent. and Bank of England Minimum Lending Rate was reduced by ½ per cent. to 9½ per cent. The minimum accepted bid was £97.80½, compared with £97.68 previously, and bids at that level were met as to 65 per cent. The £350m. bills offered and allotted attracted bids of £1,014.49m., and all bills offered were allotted. Next week £350m. will replace £400m.

Day-to-day credit was in good supply, though a shortage of funds had been anticipated, and the authorities did not intervene. Banks carried forward surplus balances, but on the other hand, a net market take-up of Treasury bills, an excess of revenue payments over Government disbursements, an increase in the note circulation, and maturing local authority bills were against the market's favour.

Discount houses paid 9¼-9⅝ per cent. for secured call loans in the early part and closing balances were found at 7-8½ per cent. In the interbank market overnight loans commanded 9¼-9½ per cent. for the most part, but increased sharply to 11 per cent. at the close.

Rates in the table below are nominal in some cases.

Feb. 6 1976	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ɸ	Bank bills ɸ	Fine trade bills ɸ
Overnight	—	9⅛-11	—	—	—	9¾	7-9⅛	—	—	—
2 days notice	—	—	9-9⅝	—	—	—	—	—	—	—
7 days or 7 days notice	—	9⅛-9¼	9-9¼	—	—	—	9⅛-9⅝	—	—	—
One month	9⅛-9	9-9⅛	9-9¼	9½-9	9⅛-9¾	—	8¾-8⅞	8⅞-8[illegible]	9¼-9[illegible]	10-9[illegible]
Two months	9[illegible]-9	9-9⅛	—	9½-9	9¼-9¾	—	8¾-8[illegible]	8[illegible]-8⅞	9⅛-9	10-9[illegible]
Three months	9[illegible]-9	9-9⅛	9-9[illegible]	9¾-9¼	9¼-9¾	—	8¾-8⅞	8⅞-8[illegible]	8[illegible]	10-9[illegible]
Six months	9[illegible]-9	9-9⅛	9⅛-9⅝	9¾-9⅛	9¼-9¾	—	—	—	8⅞-8[illegible]	10-9[illegible]
Nine months	9⅛-9¼	9[illegible]-9[illegible]	—	10-9½	9⅛-9¾	—	—	—	—	—
One year	9[illegible]-9½	9[illegible]-9[illegible]	10⅛-10⅝	10-9¾	9⅞-10⅝	—	—	—	—	—
Two years	—	—	11-11⅜	—	—	—	—	—	—	—

* Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 11½-12¼ per cent., four years 12¼-12¾ per cent.; five years 12½-12[illegible] per cent. ɸ Bank bill rates in table are buying rates for prime paper, buying rates for four-month bank bills 8¾-8[illegible] per cent.; four-month trade bills 10-9½ per cent. Approximate selling rate for one-month Treasury bills 8⅞ per cent.; two-month [illegible] per cent.; three-month 8[illegible] per cent. Approximate selling rate for one-month Bank bills 9⅛-9[illegible] per cent.; two-month [illegible] per cent.; three-month 8[illegible] per cent.; for one-month trade bills 9¾-9½ per cent.; two-month 9⅝-9¾ per cent. and [illegible]

Finance House Base Rate (published by the Finance Houses Association) 11 per cent. [illegible] Deposit Rate for small sums at seven days' notice 5¼ per cent. Clearing Bank Rates for lending 9½ per cent. Treasury Bills: Average tender rates of discount 8.7691 per cent.

EXCHANGES AND BULLION

Sterling lost ground in the foreign exchange market yesterday, and its trade-weighted average depreciation, as calculated by the Bank of England, widened to 30.2 per cent., equal to its worst-ever closing level. The rate was unchanged from the overnight level in early dealings, at 30.1 per cent., but widened to 30.2 per cent. at noon. The pound also declined against the dollar, closing at $2.0265-2.0275, a loss of 10 points on the day. Sterling opened at $2.0280-2.0290 and touched its lowest point of the day at $2.0255-2.0265 after the announcement of a further ½ per cent. cut in Bank of England Minimum Lending Rate.

The discount on forward sterling against the dollar continued to narrow, reflecting the reduced differential between domestic and U.S. interest rates. The three-month forward pound finished at 1.90 cent premium, compared with 2.15 cent premium on Thursday.

The U.S. dollar recorded little change on balance in terms of most other major currencies. Its trade-weighted average depreciation, as calculated by Morgan Guaranty on noon rates, was unchanged at 2.66 per cent. The Italian lira remained steady, closing at L749 against the dollar compared with L752 previously. Its depreciation, on the Morgan Guaranty basis, was 40.11 per cent., against 40.74 per cent. on Thursday.

Gold gained $2 to close at $130¾-131¾. The krugerrand finished at $133½-135½ in the domestic market, and its premium over the gold content narrowed to 3.06 per cent. and to 3.25 per cent in international dealings.

EXCHANGE CROSS-RATES

Feb. 6	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
N. York	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]
Zurich	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—

U.S. $ in Montreal. U.S. $ = [illegible] Canadian cents. Canadian $ in New York [illegible] U.S. cents. U.S. $ in Milan closed. Sterling in Milan closed.

EURO-CURRENCY INTEREST RATES*

Feb. 6 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German Mark	Swiss Franc
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Euro-French deposit rate: short term [illegible] per cent.; seven days' notice [illegible] per cent.; one month [illegible] per cent.; three months [illegible] per cent.; six months [illegible] per cent.; one year [illegible] per cent. Long-term Eurodollar deposits: two years [illegible] per cent.; three years [illegible] per cent.; four years [illegible] per cent.; five years [illegible] per cent. The following nominal rates were quoted for London dollar certificates on deposit: one month [illegible] per cent.; three months [illegible] per cent.; six months [illegible] per cent.; one year [illegible] per cent. * Rates are nominal closing rates. * Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

FOREIGN EXCHANGES

Feb. 6 1976	Bank rate %	Day's spread	Close
New York	[illegible]	[illegible]	[illegible]
Montreal	[illegible]	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]
Copenhagen	[illegible]	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]
Madrid	[illegible]	[illegible]	[illegible]
Milan	[illegible]	[illegible]	[illegible]
Oslo	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]	[illegible]
Tokyo	[illegible]	[illegible]	[illegible]
Vienna	[illegible]	[illegible]	[illegible]
Zurich	[illegible]	[illegible]	[illegible]

† Rates given are for convertible francs. [illegible]

OTHER MARKETS

[illegible]

FORWARD RATES

	One month	Three months
New York	[illegible]	[illegible]
Montreal	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]
Brussels	[illegible]	[illegible]
Copenhagen	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]
Madrid	[illegible]	[illegible]
Milan	[illegible]	[illegible]
Oslo	[illegible]	[illegible]
Paris	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]
Vienna	[illegible]	[illegible]
Zurich	[illegible]	[illegible]

Six-month forward U.S. dollar [illegible] c.pm. and 12-month [illegible] c.pm.

BASE LENDING RATES

Allied Irish Banks Ltd. [illegible]
Anglo-Portuguese Bank [illegible]
Henry Ansbacher [illegible]
Banco de Bilbao [illegible]
Banco de Jerez [illegible]
Bank of Cyprus [illegible]
Bank of N.S.W. [illegible]
Banque du Rhone S.A. [illegible]
Barclays Bank [illegible]
Barnett, Christie Ltd. [illegible]
Bremar Holdings Ltd. [illegible]
Brit. Bank of Mid. East [illegible]
■ Brown Shipley [illegible]
Canada Permanent AFI [illegible]
Cayzer, Bowater Co. Ltd. [illegible]
Cedar Holdings [illegible]
■ Charterhouse Japhet [illegible]
C. E. Coates [illegible]
Consolidated Credits [illegible]
Co-operative Bank [illegible]
Corinthian Securities [illegible]
Credit Lyonnais [illegible]
G. R. Dawes [illegible]
Duboff Brothers [illegible]
Duncan Lawrie [illegible]
English Transcont. [illegible]
First London Secs. [illegible]
■ Antony Gibbs [illegible]
Goode Durrant Trust [illegible]
Greyhound Guaranty [illegible]
Grindlays Bank [illegible]
■ Guinness Mahon [illegible]
■ Hambros Bank [illegible]
Hawtin & Partners [illegible]
■ Hill Samuel [illegible]
C. Hoare & Co. [illegible]
Julian S. Hodge [illegible]
Industrial Bank of Scot. [illegible]
Keyser Ullmann [illegible]
Knowsley & Co. Ltd. [illegible]
Lloyds Bank [illegible]
London & European [illegible]
London Mercantile [illegible]
Midland Bank [illegible]
■ Samuel Montagu [illegible]
■ Morgan Grenfell [illegible]
National Westminster [illegible]
Northern Comm. Trust [illegible]
Norwich General Trust [illegible]
Portman Guaranty [illegible]
P. S. Refson & Co. [illegible]
Rossminster Accepts [illegible]
Schlesinger Limited [illegible]
E. S. Schwab [illegible]
Security Trust Co. Ltd. [illegible]
Shenley Trust [illegible]
Standard Chartered [illegible]
Sterling Credit [illegible]
Thames Guaranty [illegible]
Trade Development Bank [illegible]
Twentieth Century Bk. [illegible]
United Bank of Kuwait [illegible]
Whiteaway Laidlaw [illegible]
Williams & Glyn's [illegible]
Yorkshire Bank [illegible]

■ Members of the Accepting Houses Committee. * 7-day deposits [illegible] † 7-day deposits on sums of £10,000 and under [illegible] over £25,000 [illegible] ‡ Demand deposits [illegible]

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INSURANCE BASE RATES

† Atlantic Assurance [illegible]
Cannon Assurance [illegible]
† Address shown under Insurance and Property Bond table.

GOLD MARKET

[illegible]

SPECIAL DRAWING RIGHT RATES

[illegible]

AUTHORISED UNIT TRUSTS

REGIONAL MARKETS

...n of the share prices previously shown under regional headings is ...ow with quotations on London. Irish issues, most of which are not ...d in London, are shown separately and with prices as on the Irish ...

18	......	Graig Ship. £1	320	−10	Shiloh Spinn.	30	......
33	......	Hallam Sleigh 10p	7	......	Sindall (Wm.)	53	......
29	−1	Higsons Brew.	93	......			
150	......	I.O.M. Stm. £1	150	......	IRISH		
26	......	Holt (Jos.) 25p	260	......			
320	......	Kleen-e-Ze	18	......	Alliance Gas (£1)	90	......
23	......	Lovell's Ship £1	78	......	Carroll (P. D.)	118	......
58	+1	N'thn. Goldsmith	89xd	......	Clondalkin	44	−2
25xd	−6	P.M.A.	54	+3	Concrete Prods.	85	......
9	......	Pearce (C. H.)	80	......	Goodbody (£1)	34	......
40	......	Peel Mills	12½	......	Helton (Hldgs.)	37	......
15	......	Richards 10p	16½	+½	Irish Distillers	66½	......
135	......	RobbCaledonSh.	42	−1	Irish Wire	40	......
12	......	Sayers 12½p	17	......	Jacob	78	......
76	......	Sheffield Brick	70	......	Sunbeam	13	......
		Sheff. Refrshmt.	140	......	Unidare	[illegible]	......

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

Warburg Invest. Mngt. Jrsy. Ltd.
1 Charing Cross, St. Helier, Jsy. C.I. 0534 29041

CMF Ltd. Jan. 29	$US18.45	18.72	......	—
CMT Ltd. Jan. 29	£10.52	10.79	......	—
Metals Tst. Jan. 15	£9.56	9.79	......	—
TMT Jan. 8	$US10.44	10.71	......	—
TMT Ltd. Jan. 8	£10.70	10.97	......	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg.

Wrld. Wide Gth. Fd.	$US12.32	−0.04	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey yield. ⌀ Suspended. ★ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975/6 High	Low	Stock	£	+ or -	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98 13/16	92 3/16	Treasury 6½pc 1976‡‡	98 1/2	-1/32	6.58	8.93
99	97	Victory 4pc 1976‡‡	98⅝	.....	4.04	—
102	96⅞	Treasury 10¼pc 1976‡‡	101	+¼	10.40	9.15
97¼	88⅞	Treasury 6¾pc 1977‡‡	97 1/2 xd	..	6.44	9.19
96	86¼	Electric 3pc 74-77	96	+1/16	3.12	6.85
103 11/16	96⅞	Treasury 11½pc '77‡‡	102⅛	.....	11.26	10.04
94	84	Treasury 3pc '77‡‡	93⅝	-⅛	3.20	6.77
93⅞	84⅛	Transport 4pc '72-77	93 3/4	-⅛	4.27	7.76
97⅝	90½	Treasury 9pc 1978‡‡	97½	+⅛	9.23	10.34
100 1/16	96	Treasury 10½pc '78‡‡	100 5/16	-1/32	10.47	10.34
92½	79	Exchequer 5pc '76-78‡‡	92	-¼	5.43	8.44
103⅜	94¼	Treasury 11½pc '79‡‡	102 1/2 xd	-¼	11.18	10.43
86⅞	71⅛	Treasury 3pc '79‡‡	86¾	+¼	3.46	7.23
87⅞	73⅞	Electric 4¼pc '74-79	87⅞	-⅛	4.86	8.34
100 1/16	94½	Treasury 10½pc '79‡‡	98 1/2	-1/32	10.61	10.91
99 1/2	95 1/16	Do 10½ 1979 'A'	99 1/2	+1/32	10.61	10.81
86⅝	71	Electric 3½pc '76-79	86⅝	...	4.05	7.73
95⅝	84	Treasury 9pc 1980‡‡	95½xd	-⅛	9.42	10.29
95⅝	89¼	Treasury 9½pc '80‡‡	95 1/2	-1/2	9.97	10.88
95⅝	92¼	Treas. 9½ 1980	95 1/2	-¼	9.97	10.89
86	68¼	Treasury 3½pc '77-80	85⅝	-¼	4.08	7.42
87⅝	71	Funding 5¼pc '78-80‡‡	87	-¼	6.03	8.91
103 1/16	94 13/16	Treasury 11½pc 1981	102 1/16	-1/32	11.23	10.83
		Five to Fifteen Years				
86	66⅛	Treasury 3½pc '79-81	85xd	-¼	4.11	7.09
91⅝	72⅞	Do 8¼pc '80-82‡‡	91¼	-⅛	9.37	10.65
107¼	86⅝	Treasury 12pc 1983‡‡	107¼	-¼	11.71	11.47
79⅞	58	Funding 5½pc '82-84‡‡	79⅛	-¼	6.98	9.35
86⅛	61⅛	Treasury 8½pc '84-86‡‡	85¼	-⅛	10.05	11.03
74⅞	51⅞	Funding 6½pc '85-87‡‡	73⅞	-¼	8.89	10.95
77⅛	53	Treasury 7¾pc '85-88‡‡	76	-⅛	10.24	11.54
51¼	32⅞	Transport 3pc '78-88	49⅞	-⅛	6.05	10.29
59¼	39¼	Treasury 5pc '86-89	58¼	-⅛	8.83	11.29
102	96	Treasury 13pc 1990‡‡	100	-½	13.12	13.12
75⅞	53¼	Treasury 8¼ '87-90‡‡	74⅛	-⅛	11.28	12.24
		Over Fifteen Years				
60	41⅛	Funding 5¾pc '87-91‡‡	58½	-⅛	10.17	12.06
99	85½	Treasury 12¾pc '92‡‡	97¼	-½	13.20	13.25
97½	83⅝	Treasury 12½pc '93‡‡	95¼	-½	13.26	13.33
—	—	Do 'A' tpe	£95¼	.....	13.12	13.21
58	40½	Funding 6pc 1993‡‡	56¼	-½	11.12	12.53

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 60¼% (based on $2.0266 per £)

CANADIANS

S.E. List Premium 60¼% (based on $2.0155 per £)

Conversion factor 0.5899 (0.5060)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

| هكذا صدر الأصل |

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Trusts, Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	250	Durban Deep R1	400	+20	Q20c	ф	2.8
£14	440	E. Rand Prp. R1	470	+10	Q35c	ф	4.1
105	16	Rand Leases 25c	16		—	—	—
£34¼	£12¼	Randf'tn Est. R2	£15¼	+¼	—	—	—
500	120	West Rand R1	140	+2	Q10c	ф	3.9

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	3	Burma Mine 17½p	9	.....	m0.5	—	1.5
65	17	Charterhall 5p	30½	−½	—	—	—
860	360	Cons. Murch. 10c	850	.....	Q90c	ф	5.0
53½	29½	Laurasia	40	+½	—	—	—
375	200	Northgate C$1	345	−5	†025c	1.0	4.0
211	80	R.T.Z.	197	.....	g5.51	4.4	4.3
135	47½	Sabina Inds. C$1	107	−2	—	—	—
81	45	Stanford Mines £1	45	.....	—	—	—
£12½	874	Tara Explo. $1	£10½	.....	—	—	—
118	38	Yukon Cons. C$1	113	−5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ф Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✤ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 17

FINANCIAL TIMES

Saturday February 7 1976

MAN OF THE WEEK

Prejudice has no chance

BY JUREK MARTIN

"MOST PEOPLE who deal with him like him," the Congressional aide was saying. "You can get something done with him at a hearing; it may not be what you want, but you'll get something done. He's a tough man."

William Thaddeus Coleman Junior needed to be tough this week because he handed down a decision which he knew was going to be wildly controversial—permitting Concorde to fly commercially to New York and Washington for a sixteen month trial period.

The flak he expected was not slow in coming: one Congressman called him "mad"—others contended he had capitulated to the British, the French, Henry Kissinger, President Ford, William Rogers and everybody else in sight. Some said he was merely angling to get on the Supreme Court, others that he had no political judgment and would be out of a job in next to no time.

In a hurry

Coleman probably does not lose too much sleep over charges like this. His trademark in the year that he has been Transportation Secretary, and before that as a civil rights lawyer who has been in and out of public service, has been that of somebody who approaches problems head on and in a hurry. "It takes nine months to produce a baby, the most precious and complicated thing in the world," he once told his staff: "nothing government does should take longer."

He brings one enormous asset to bear. He is reckoned to have one of the sharpest legal brains in the country, honed at Harvard Law School, as clerk to Justice Felix Frankfurter, partner in his own justly celebrated Philadelphia law firm, part architect of a number of major pieces of civil rights legislation, assistant counsel to the Warren Commission which investigated President Kennedy's assassination, a United Nations delegate and member of President Nixon's Price Commission.

There is something else which marks him out from most government officials: as the Concorde statement, 25,000 words long and personally drafted, showed, he can write like an angel. Macaulay is said to be his model and he is no mean pupil.

Mass transit

As Transportation Secretary, he had wasted no time. He was advocated mergers of ailing railroads; blocked a major interstate highway project; opposed direct federal subsidies to the airlines; hammered away for changes in regulations covering both airline and trucking industries. "He wants more money for mass transit but does not yet feel that America's love affair with the motor car is over."

He acknowledges that his haste has sometimes led him to make mistakes, but argues: "I don't know why people expect politicians to be right all the time." It is generally agreed, however, that the force of his leadership is transforming his department into something which is vigorous and decisive, a far cry from its sluggish and even moribund reputation. His staff periodically cringe at his demands for instant action but they tend to comply with his direction.

It took him just a month to bring out the Concorde report, which is true to his credo. It was unmistakeably his own work: eloquent, apolitical to the point, at times, of naivety, willing to admit his own lack of comprehension here and there, dismissive of phony arguments. Above all, it stressed the need for fairness, the importance of avoiding discrimination.

Which brings one to the last point about Coleman, perhaps artificially but perhaps the only way it can be introduced. He is black, only the second negro ever to attain cabinet status. It is something which nobody here ever bothers to mention, probably because he never gives them time to.

Special factors blamed for public spending rise

BY ANTHONY HARRIS

THE MONTHLY figures for the Government's cash outlays from the Consolidated Fund in January, published yesterday, show an exceptionally high figure for the second successive month, and an apparent acceleration in the growth of public spending: spending in January, at £3.57bn., was 43 per cent. higher than in the same month last year, while the total for the first nine months of the year, at £29.7bn., showed an increase of 39 per cent.

However, the figures are apparently heavily distorted by special factors, and Whitehall remains firmly confident that the figures for the whole year will show a rate of increase lower than 39 per cent.

An important reason for the jump in the figures, paradoxically, appears to be the enormous success the Government has had in recent weeks in selling its own stock.

Had the huge sums raised in the gilts market been locked up in the Government's own funds, there would have been an acute money shortage. The authorities have therefore been feeding cash back into the market on a substantial scale, buying in short-term public debt—gilts near to maturity and Treasury bills. It appears that a good deal of this money has been provided by paying cash to the spending departments in advance of needs; they in turn have placed their surplus funds in the market.

This circular operation has had the effect, in the Government's cash accounts, of bringing expenditure which will actually be made this month and in March into the January figures.

While no official figures are available for the amount of spending brought forward in this way, the total could be large. In earlier years—though not in 1975—it has been normal to build up the cash balances of the spending departments during the first quarter of the year, when tax payments are heavy, so that they can in turn help the money market.

In January of this year the reported surplus of the Consolidated Fund—the excess of revenue receipts over cash outlays—was £267m., about half the figure for the same month last year; but the full Central Government figures, which will appear towards the end of this month, and will reveal the size of the internal transfer, seem likely to tell a very different story.

Apart from this deliberate acceleration of disbursements, the high figures for the last two months are believed to reflect a large sum payed out to the nationalised industries to close the account for price restraint in 1974-75, and the usual winter bunching of payments to local authorities. If official expectations are to be borne out, Consolidated Fund disbursements will fall sharply in the remaining two months of the financial year.

On the revenue side the accounts show that in the first nine months of the year receipts totalled £24.4bn., 29 per cent. higher than last year. This increase is also probably overstated, since new rules for the charging of interest on tax payments have resulted in earlier payments this year than in previous years.

The new figures also contain an analysis on National Loans Fund borrowing which suggest that sales of gilts in the last four months have totalled some £3.25bn. For the first nine months o the financial year, £4.4bn. o total external borrowing of £6.7bn. has been financed in the gilts market.

Swan Maritime cancels options on nine of 13 tankers

BY STEWART FLEMING IN LONDON AND GUY DE JONQUIERES IN NEW YORK

SWAN MARITIME, a company jointly owned by Swan Hunter Group and the financially stretched Israeli-American shipping group Maritime Fruit Carriers, has cancelled nine of the 13 tanker options it still has with Swan Hunter Shipbuilders.

The cancellation, which follows news of the cash problems of MFC, was given last night in a prepared statement by Swan Hunter. But nobody at the company was prepared to elaborate on the statement.

Meanwhile in New York, Mr. H. Struve Hensel, the new managing director of MFC, said that the company is negotiating to dispose of a wide range of interests, including part of its profitable fleet of 40 refrigerated vessles

The aim of the negotiations is both to raise cash and to reduce MFC's immediate exposure to costly commitments it has made in the past few years. If achieved it would ultimately leave MFC a drastically streamlined company with the reefer fleet as its main business.

Mr. Hensel said that he does not know when he will go to London to try to persuade MFC's major banks and institutional creditors to extend new financing. But the visit will not occur before Price Waterhouse; the accounting firm, has completed its report on the company's financial affairs.

He said that he hoped to be able to reach a deal whereby MFC could dispose of its 50 per cent. interest in three very large crude carriers on order from Harland and Wolff, which are due to be delivered in 1977 and 1978. The other 50 per cent. is held by Coastal States Gas, to which the vessels have been chartered on "very satisfactory" terms from MFC's standpoint.

In addition, he said, MFC has asked First National Boston Corporation, the owner of three VLCCs ordered from Bethlehem Steel, to take over MFC's interest in the vessels. One of the ships has already been delivered and is in service.

MFC has time charters on the vessels and has sub-chartered two of them. The sub-charters were negotiated at the peak of the tanker marke, Mr. Hensel said, and would produce enough income to cover the cost of laying up the third VLCC, if this were necessary.

In addition, MFC would like to dispose of what Mr. Hensel described as its "peripheral" operations. These include an interest in a beef ranch and orders for two jack-up drilling rigs from Bethlehem Steel.

Mr. Hensel also disclosed that there had never been a meeting of the "executive committee," which MFC said it had set up last summer to strengthen its financial management. The committee's chairman, Mr. Edward Cole, a former president of General Motors, remains a director of MFC. He is understood not to be directly involved in its current efforts to regain financial stability.

Swan Hunter's statement about the cancellation of MFC's tanker options will clearly cause concern about employment prospects at the company's Tyneside yards, although it has been looking increasingly unlikely that the ships would be firmly ordered.

It made it clear, however, that there is some new work in prospect, in particular on one of the Royal Navy's new £80m. through-deck cruisers.

Swan Hunter has been given a cruiser involvement contract by the Department of Defence. This is to enable it to "familiarise itself with the work involved on a through-deck cruiser in preparation for a possible future order for a ship of this type. The contract also involves the ordering of a number of long-lead items of equipment and the ordering and delivery of a certain amount of steel."

It is understood that the formal award for a contract for a through-deck cruiser might not be many months away.

In addition, another of these warships, the Cardiff, launched last spring by Vickers Barrow, is due to be towed into the Tyne on Monday to be finished by Swan Hunter.

Meanwhile Mr. Ross Belch, managing director of Scott Lithgow, said yesterday the company had had not the slightest suggestion from Maritime Fruit Carriers that it might cancel an oil tanker now on order.

Waves across the Atlantic, Page 14

Fall in U.S. jobless gives Ford unexpected boost

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, Feb. 6.

UNEMPLOYMENT in the U.S. fell by a full 0.5 per cent. last month to 7.8 per cent., seasonally adjusted. At this level, there are 7.3m. Americans out of work.

This is the sharpest monthly fall for 16 years and constitutes the best bit of economic and political news the Ford Administration has had for quite some time.

Indeed, the size of the fall has taken the U.S. Government's economists by surprise. The official forecast—contained in both the Budget and the Council of Economic Advisers' report issued last month—is that unemployment will average 7.7 per cent. in the current calendar year. The assumption was that it would not be until well into the year that the monthly rate would come down to that level.

If the January performance is sustained in the next couple of months, it may have some impact on the attitudes of Congress, which has attacked and threatens to expand the austere Federal Budget on the grounds that it does not do enough for the unemployed.

It will also provide useful ammunition for President Ford on the political hustings, bolstering his claim that his economic policies are both curing inflation and bringing down unemployment.

Election year

The public opinion polls all agree that the single most important issue in this election year as perceived by the American voter is the state of the economy.

The key to the January decline, was the immediate rehiring of those who had lost their last jobs. This group is considered the most sensitive to cyclical fluctuations in the employment market.

Total employment, after adjustment for the seasonal variations which normally show a rise in those out of work after temporary Christmas jobs, actually increased by 800,000 in January.

According to the Labour Department, the 86.2m. in work was 2.1m. up on the recession low of March last year and close to the pre-recession peak of July 1974.

More than two-thirds of the 172 industries embraced by the statistics said that their employment had risen in January. The unemployment rate for adult men dropped to 5.8 per cent. from 6.6 per cent. and for adult women to 7.5 per cent. from 8.0 per cent. Just about the only depressing aspect was that the jobless rate for teenagers—19.9 per cent—showed little change.

FNFC loss of £83m. in 10 months

By Margaret Reid

FIRST NATIONAL Finance Corporation, the secondary banking concern formerly headed by Mr. Pat Matthews, incurred a further loss of £9.8m. in July-October last year, bringing its total pre-tax loss for the first ten months of 1975 to £83.2m.

This result is after additional provisions of £19.2m. set aside in the latest four months against loans and investments, making total provisions of £110.6m. in the ten-month period.

The group, whose capital was reconstructed after the disclosure in October of the first-half loss of £73.4m., is one of the largest borrowers from the big banks' "lifeboat," launched two years ago to aid those hit by the secondary banking crisis.

Sums on loan from the "lifeboat" have now been reduced to just over £300m. from a previous peak of some £350m. This is chiefly due to FNFC's disposal for cash, of more than £50m. of short-term assets, including deposits with the Bank of England, on its ceasing to be a bank under Section 127 of the Companies Act 1967. It is now operating with a certificate under Section 123 of the Act, which is more fitting in view of the now restricted character of its business.

Mr. John Glyn, the new chairman, recently forecast that some seven of the 16 directors would be departing in line with the big cut in the size and scope of the business.

Mr. Matthews, who built up the group, of which he was chairman for some years and is now joint managing-director, is expected to be among those leaving in the not distant future.

Mr. Maurice Denton, the other joint managing director and formerly a senior officer of the National Westminster Bank, said yesterday: "Of the present Board, the number is likely to go down by eight to ten by the end of 1976.

Details of the result for the last four months show that there was initially a profit (before provisions), entirely on the consumer credit side, of £9.4m., but that the bulk of this—£8.6m.—represented interest due, but against which provisions were made. The remaining £10.6m. of the latest set of provisions (£19.2m.) were against capital items such as loans and investments.

Continued from Page 1

MLR

drop in the average rate on Treasury bills at the weekly tender which prompted the fall.

With the average bill rate down to 8.7691 per cent., it would take only a further small reduction to trigger another MLR cut.

The Bank indicated its view by not following the cut all the way down in the rate set for its dealings in bills with the market next week.

While the tender would normally have indicated a rate of 8¾ per cent. for the Bank's dealings, it has been fixed at 8½ per cent., making any recourse the discount market has to the Bank relatively expensive.

The new stock issue is a further £600m. tranche of 12¼ per cent. Treasury loan 1993. To be issued at a price of £95.25 per cent., the stock gives a flat yield of 13.12 per cent. and a return of 13.21 per cent. to redemption, right in line with the market at the time of the announcement.

The stock replaces the old long-dated "tap" stock, which ran out a fortnight ago. During the past two weeks, the Bank of England has been without any stock on tap at the long or short end to help it influence the market.

Continued from Page 1

Lockheed

characterise this more as a gift—but I do not want to quibble with you."

Mr. Kotchian added that the company had considered payment of an unspecified amount to a general in the Royal Swedish Air Force.

Turning to Japan, Mr. Kotchian did admit that at least $2m. had been paid to Japanese officials through the Marubeni trading company. Marubeni denied earlier this week that money had been paid to any of its employees.

The money was disguised by false receipts put out by another company, the I-D Corporation, he added. He said Lockheed had been told by its Japanese contacts that this was the way to do business in Japan.

Mr. Kotchian said that Mr. Kodama had helped Lockheed introduce itself to the Japanese business community. Mr. Kodama was still on the Lockheed payroll, he went on, and received $60,000 in commission for each aircraft sold in Japan.

He said that Mr. Kodama had never suggested that bribery was essential in Japan, but when asked if Mr. Kodama had transferred any of the $7m. he had received to Japanese officialdom, Mr. Kotchian replied: "I am not certain of it. It may have occurred. I believe it did."

Mr. Kotchian's confessions have come as something of a bombshell here. The sensitivity to evidence of corporate malpractice has not diminished even after a welter of disclosure and, in some cases, such as Gulf Oil's retribution and sacrifice.

The Ford Administration was itself tuched to-day with allegations that Mr. Earl Butz, Agriculture Secretary, had availed himself of free facilities offered over Christmas by the Southern Railway Company, which runs a recreation lodge in South Carolina.

The White House said in response to-day that the Agriculture Department had ordered "corrective measures" to be taken and the Agriculture Department said it would reimburse Southern Railways for its hospitality.

Michael van Os in Amsterdam reports: The Dutch Government has asked its Embassy in the U.S. to acquire the test of the statement by Mr. Kotchian.

If the statements had indeed been under oath and reported accurately, there would be a judicial inquiry in Holland. Dr. Joop den Uyl, Dutch Prime Minister, said

THE LEX COLUMN

Lloyds finds place in the queue

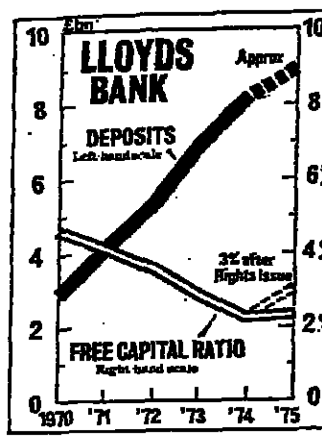
Only the timing of Lloyds Bank's statement offered any major surprise. Since Midland had its own issue last year it has been replaced by Lloyds at the top of every analyst's bank rights issue list, and the size of the offer at one-for-four is conventional enough. It has only a moderate impact on total shareholders' funds, raising them by 13 per cent., but makes a much more obvious difference to the free capital ratio which has become the key figure in the analysis of capital adequacy. This ratio has been falling sharply for most banks in recent years as profit retentions have failed to keep pace with swelling balance sheets, but Lloyds has seen especially sharp erosion due to its large overseas interests and the acquisition of the Californian offshoot, which brought a sizeable goodwill item into the accounts. By the end of 1974 the free capital ratio was down to 2.2 per cent. (and the free *equity* ratio was just 1 per cent.) but the rights issue has now built the figure up to just over 3 per cent.

The fact that the issue is being made at this particular stage reflects in part the favourable market climate, and in part Lloyds' desire for a decent interval to elapse since its rather expensive Californian purchase and the Lugano losses. Unfortunately the timing means that shareholders have no proper up-to-date balance sheet on which to judge the issue. Nor are they given any guidance on the effect of inflation on the balance sheet, which lies behind the erosion of the ratios.

Essentially the damage to banks arises from the fall in value of their free equity assets. Although the latter were very small for Lloyds last year—some £85m.—the fall in real value in a year of 25 per cent. inflation was £21m., almost enough to cancel out retentions of £30m. In 1976 free equity assets may be twice as high, so the inflation penalty will still be serious even though inflation is likely to decelerate.

But in fact Lloyds' 1975 results are slightly better than generally anticipated, due to the absence of any special provisions. The bank has been able to accommodate the problems of FNFC within its normal doubtful debt provisions, which are undisclosed. The operating profit does show a slight decline—of 6 per cent.—between the first and second halves, and losses by two associates, Grindlays and FFI, have produced a £9m. deterioration in associated company profits for the year. Thus "normal" pre-tax profits are a quarter lower at £95.5m., but absence of special items which added up to £51.5m. in 1974 means that post-provision profits are 27 per cent. higher. For the current year some further recovery is in prospect, although the fall in interest rates and the absence of buoyancy in loan demand could severely limit its extent. Lloyds has not taken the rights issue opportunity to jack up its dividend, so the yield at 260p is modest at 4.5 per cent.

Index fell 2.3 to 407.7



Turning the tap

The fact that Lloyds had to choose a date in the Bank of England's rights issue queue which was well in advance of its normal reporting day implies that there are several other substantial issues in the pipeline. The denials from Barclays and NatWest may not prevent all speculation about further cash calls from the clearers, and the Bank of England's BP holding has still to find a long-term home. So although the equity market reacted well to yesterday's news from Lloyds—the 30-Share Index closed above the levels seen in the morning, and the general indices remain within a fraction of last week's peak—its staying power may well be tested.

Precisely the same may apply to the gilt-edged marke[t] the somewhat ... appearance of a new ... at 3.30 yesterday produ[ced an] immediate setback. Th[is] was being interpreted [as a] signal that the authoriti[es] have decided that the long-term interest ra[tes have] gone far enough for th[e time] being (although much d[epends] in practice upon how [aggres]sively the stock is sold) [There] was also discussion of ... in the money market ... the Bank indicated tha[t ...] day's sharp fall in the T[reasury] Bill rate—almost eno[ugh to] drop MLR by three-qua[rters of] a point, rather than th[e ...] point that materialise[d ...] overdone.

The gilt market no[w ...] wait for the public ... White Paper due on F[eb.] 19; the latest official ... of recent trends in the [Govern]ment's finances, as sh[own by] the Consolidated Fund ... for January, are not ... ing, showing a continu[ation of] December's spending ... These two months ma[y] prove to have been exce[ptional] but there is every reason ... hesitant in the near fut[ure].

FNFC

The depressing new[s from] First National Finance C[orpora]tion is that at the end ... four months to Oct[ober a] further £10½m. of provi[sions ...] capital account have be[en] necessary, mainly rela[ting to] lending on commercial p[roperty.] And although profit[s before] provisions and tax amo[unted to] £9.4m. in this period, ... that has immediately [been] written off again in the ... of provisions against ... receipts. The upshot is th[at the] deficiency for shareholders [has risen] to £40m., while the capital ... falls to £24m.

That may look inade[quate] given that written ... advances still total over ... But following the reco[nstruc]tion, interest is only pay[able on] the £300m. odd of ... finance to the extent th[at it] can be covered by profit[s. Cash] flow is improving, so there ... reason why the present s[tate of] suspended animation sho[uld not] continue almost indefi[nitely.] But although annual pro[fits from] consumer finance run at a[bout] £6m. and will presumabl[y be] untaxed, the chances of ... earning its way out of de[ficit] look increasingly remote.

Weather

U.K. TO-DAY

CLOUDY, some rain, rather cold.

London, S.E., E., Cent. N., N.E. England E. Anglia, Midlands
Frost early. Fog clearing, then bright intervals. Rather cold. Max. 4C (39F).

Cent. S., N.W. England, N. Wales, Isle of Man, N. Ireland
Cloudy, some rain. Max. 5C (41F).

Channel Islands, S.W. England, S. Wales
Cloudy, some rain. Max. 7C (45F).

Borders, Scotland
Rain, snow on hills. Max. 4C (39F).

Outlook: Rain in places. Near normal temps., rather cold in E. Some frost and fog.

Lighting-up: London 17.25, Manchester 17.28, Glasgow 17.30, Belfast 17.39.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amstrdm.	S	0	32	London	C	7	45
Athens	C	13	55	Luxembg.	C	0	32
Bahrain	S	19	66	Madrid	C	6	43
Barcelona	C	13	55	Melbourne	F	23	73
Beirut	F	17	63	Milan	C	8	46
Belfast	R	4	39	Moscow*	F	−19	−2
Belgrade	C	2	36	Munich	C	−1	30
Berlin	S	−1	30	Newcastle	R	4	39
Birmghm.	C	3	37	New York	Sn	−5	23
Bristol	C	4	39	Oslo	S	−5	23
Brussels	S	2	36	Paris	F	5	41
Budapest	S	3	37	Perth	F	31	88
B. Aires	S	25	77	Prague	C	1	34
Cairo	S	21	70	Reykjavik	R	6	43
Cardiff	C	3	37	Rome	R	12	54
Cologne	C	3	37	Singapore	S	30	86
Copnhagn.	F	2	36	Stockholm	S	−3	27
Dublin	C	4	39	Strasb'rg	S	3	37
Edinb'gh	R	4	39	Sydney	S	24	75
Frankfurt	C	3	37	Tehran	C	6	43
Geneva	C	0	32	Tel Aviv	S	17	63
Glasgow	R	3	37	Tokyo	C	10	50
Helsinki	Sn	−8	18	Toronto	C	−9	16
H. Kong	S	17	63	Vienna	C	1	34
Jo'burg	S	26	79	Warsaw	C	−2	28
Lisbon	C	11	52	Zurich	C	−1	30

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	F	15	59	Jersey	R	8	46
Algiers	R	14	57	Las Plms.	S	19	66
Biarritz	R	10	50	Locarno	C	4	39
Blackpool	R	4	39	Majorca	F	15	59
Bordeaux	R	11	52	Malaga	F	14	57
Boulogne	F	6	43	Malta	R	14	57
Casablnca.	C	16	61	Nairobi	S	26	79
Cape Town	S	26	79	Naples	R	12	54
Corfu	C	14	57	Nice	C	16	61
Dubrovnik	C	15	59	Oporto	R	8	46
Faro	C	14	57	Rhodes	C	14	57
Funchal	S	17	63	Salzburg	C	2	36
Gibraltar	C	14	57	Tangier	C	14	57
Guernsey	R	8	46	Tenerife	F	13	55
Innsbruck	S	1	34	Tunis	C	16	61
Inverness	C	4	39	Valencia	C	12	54
I. of Man	C	4	39	Venice	F	11	52
Istanbul	Fg	7	45				

F—Fair. S—Sunny. R—Rain. Sn—Snow. C—Cloudy. Fg—Fog.

Snow Resorts Page 12

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